

SEMIANNUAL REPORT

FRANKLIN INVESTORS SECURITIES TRUST

April 30, 2024



FRANKLIN
TEMPLETON

Franklin Convertible Securities Fund

Franklin Equity Income Fund

Franklin Managed Income Fund

The Securities and Exchange Commission has adopted new regulations that will result in changes to the design and delivery of annual and semiannual shareholder reports beginning in July 2024.

If you have previously elected to receive shareholder reports electronically, you will continue to do so and need not take any action.

Otherwise, paper copies of the Fund's shareholder reports will be mailed to you beginning in July 2024. If you would like to receive shareholder reports and other communications from the Fund electronically instead of by mail, you may make that request at any time by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, enrolling at franklintempleton.com.

You may access franklintempleton.com by scanning the code below.



Not FDIC Insured

May Lose Value

No Bank Guarantee

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Visit **franklintempleton.com** for fund updates, to access your account, or to find helpful financial planning tools.

Franklin Convertible Securities Fund

This semiannual report for Franklin Convertible Securities Fund covers the period ended April 30, 2024. The Fund is currently closed to new investors with limited exceptions. Existing investors may continue to purchase additional shares of the Fund, please see the Fund's prospectus for additional information.

Fund Overview

Your Fund's Goal and Main Investments

The Fund seeks to maximize total return, consistent with reasonable risk, by seeking to optimize capital appreciation and high current income under varying market conditions. The Fund normally invests at least 80% of its net assets in convertible securities and common stock received upon conversion of convertible securities.

Portfolio Composition

4/30/24

	% of Total Net Assets
Convertible Bonds	90.2%
Convertible Preferred Stocks	5.7%
Short-Term Investments & Other Net Assets	4.1%

Performance Overview

For the six months under review, the Fund's Class A shares posted a +12.16% cumulative total return. In comparison, the Fund's benchmark, the ICE BofA Convertibles Total Return Alternatives Index, which tracks the domestic convertible securities market, posted a +10.85% cumulative total return.¹ You can find the Fund's long-term performance data in the Performance Summary beginning on page 3.

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

Top 10 Holdings

4/30/24

Company Industry, Country	% of Total Net Assets
Jazz Investments I Ltd. Pharmaceuticals, United States	2.6%
Ivanhoe Mines Ltd. Metals & Mining, Canada	2.6%
Axon Enterprise, Inc. Aerospace & Defense, United States	2.5%
Dexcom, Inc. Health Care Equipment & Supplies, United States	2.5%
CenterPoint Energy, Inc. Multi-Utilities, United States	2.5%
Apollo Global Management, Inc. Financial Services, United States	2.4%
Cloudflare, Inc. IT Services, United States	2.3%
Etsy, Inc. Broadline Retail, United States	2.3%
Burlington Stores, Inc. Specialty Retail, United States	2.3%
Block, Inc. Financial Services, United States	2.3%

Thank you for your continued participation in Franklin Convertible Securities Fund. We look forward to serving your future investment needs.

Alan E. Muschott, CFA
Lead Portfolio Manager

Eric Webster, CFA
Portfolio Manager

1. Source: Morningstar.

The index is unmanaged and includes reinvestment of any income or distributions. It does not reflect any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

Important data provider notices and terms available at www.franklintempletondatasources.com.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOL).

The SOL begins on page 21.

CFA® is a trademark owned by CFA Institute.

Performance Summary as of April 30, 2024

The performance tables do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 4/30/24¹

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 5.50% and the minimum is 0%. **Class A:** 5.50% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit franklintempleton.com.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
6-Month	+12.16%	+5.99%
1-Year	+7.61%	+1.70%
5-Year	+54.05%	+7.80%
10-Year	+146.28%	+8.82%

Advisor		
6-Month	+12.30%	+12.30%
1-Year	+7.88%	+7.88%
5-Year	+55.98%	+9.30%
10-Year	+152.52%	+9.71%

Share Class	Distribution Rate ⁵	30-Day Standardized Yield ⁶	
		(with fee waiver)	(without fee waiver)
A	0.74%	0.71%	0.71%
Advisor	1.03%	1.01%	1.00%

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 4 for Performance Summary footnotes.

Distributions (11/1/23–4/30/24)

Share Class	Net Investment Income	Long-Term Capital Gain	Total
A	\$0.0846	\$0.2894	\$0.3740
C	\$0.0087	\$0.2894	\$0.2981
R6	\$0.1183	\$0.2894	\$0.4077
Advisor	\$0.1105	\$0.2894	\$0.3999

Total Annual Operating Expenses⁷

Share Class	With Fee Waiver	Without Fee Waiver
A	0.82%	0.83%
Advisor	0.57%	0.58%

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. 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. **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. **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.

1. 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 2/28/25 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
5. 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 includes a prorated special distribution in the month it is paid. The Distribution Rate is not guaranteed, subject to change, and is not a quotation of fund performance.
6. 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.
7. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown. Important data provider notices and terms available at www.franklintempletondatasources.com.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 11/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 4/30/24	Expenses Paid During Period 11/1/23–4/30/24 ^{1,2}	Ending Account Value 4/30/24	Expenses Paid During Period 11/1/23–4/30/24 ^{1,2}	
A	\$1,000	\$1,121.60	\$4.39	\$1,020.72	\$4.18	0.83%
C	\$1,000	\$1,117.10	\$8.33	\$1,016.99	\$7.94	1.58%
R6	\$1,000	\$1,123.80	\$2.65	\$1,022.36	\$2.53	0.50%
Advisor	\$1,000	\$1,123.00	\$3.08	\$1,021.97	\$2.93	0.58%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 182/366 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

Franklin Equity Income Fund

This semiannual report for Franklin Equity Income Fund covers the period ended April 30, 2024.

Fund Overview

Your Fund's Goal and Main Investments

The Fund seeks to maximize total return by emphasizing high current income and long-term capital appreciation, consistent with reasonable risk, by normally investing at least 80% of its net assets in equity securities, including securities convertible into common stocks. The Fund generally invests predominantly in common stocks, and the remainder of its assets in other equity-related instruments such as convertible securities and equity-linked notes (ELNs) and may also invest in foreign securities.

Performance Overview

For the six months under review, the Fund's Class A shares posted a +19.63% cumulative total return. In comparison, the Fund's primary benchmark, the Russell 1000® Value Index, which measures performance of those Russell 1000® Index companies with relatively lower price-to-book ratios and lower forecasted growth rates, posted a +18.42% cumulative total return.¹ The Fund's secondary benchmark, the Standard & Poor's® 500 Index (S&P 500®), which is designed to measure total U.S. equity market performance, posted a +20.98% cumulative total return.¹ You can find the Fund's long-term performance data in the Performance Summary beginning on page 8.

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

Portfolio Composition

4/30/24

	% of Total Net Assets
Oil, Gas & Consumable Fuels	10.7%
Capital Markets	9.8%
Banks	7.4%
Pharmaceuticals	5.9%
Electric Utilities	5.7%
Health Care Equipment & Supplies	4.0%
Semiconductors & Semiconductor Equipment	4.0%
Health Care Providers & Services	3.8%
Consumer Staples Distribution & Retail	3.5%
Life Sciences Tools & Services	3.4%
Beverages	3.1%
Household Products	2.7%
Chemicals	2.7%
Electrical Equipment	2.3%
Other*	28.6%
Short-Term Investments & Other Net Assets	2.4%

*Categories within the Other category are listed in full in the Fund's Schedule of Investments (SOI), which can be found later in this report.

Top 10 Holdings

4/30/24

Company Industry, Country	% of Total Net Assets
JPMorgan Chase & Co. Banks, United States	4.7%
Chevron Corp. Oil, Gas & Consumable Fuels, United States	3.6%
Morgan Stanley Capital Markets, United States	3.2%
Johnson & Johnson Pharmaceuticals, United States	2.8%
Bank of America Corp. Banks, United States	2.8%
Procter & Gamble Co. (The) Household Products, United States	2.7%
Oracle Corp. Software, United States	2.3%
Broadcom, Inc. Semiconductors & Semiconductor Equipment, United States	2.2%
NextEra Energy, Inc. Electric Utilities, United States	2.2%
Duke Energy Corp. Electric Utilities, United States	2.2%

Effective March 1, 2024, Todd Brighton (Portfolio Manager) stepped off the Fund. His responsibilities have been allocated to others in the portfolio management team.

1. Source: Morningstar.

The indexes are unmanaged and include reinvestment of any income or distributions. They do not include any fees, expenses or sales charges. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

Important data provider notices and terms available at www.franklintempletondatasources.com.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI).

The SOI begins on page 30.

Thank you for your continued participation in Franklin Equity Income Fund. We look forward to serving your future investment needs.

Matthew D. Quinlan
Lead Portfolio Manager

Alan E. Muschott, CFA
Portfolio Manager

Performance Summary as of April 30, 2024

The performance tables do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 4/30/24¹

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 5.50% and the minimum is 0%. **Class A:** 5.50% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit franklintempleton.com.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
6-Month	+19.63%	+13.07%
1-Year	+13.43%	+7.20%
5-Year	+56.78%	+8.18%
10-Year	+132.99%	+8.21%

Advisor		
6-Month	+19.78%	+19.78%
1-Year	+13.72%	+13.72%
5-Year	+58.79%	+9.69%
10-Year	+138.85%	+9.10%

Share Class	Distribution Rate ⁵	30-Day Standardized Yield ⁶	
		(with fee waiver)	(without fee waiver)
A	2.07%	1.55%	1.54%
Advisor	2.43%	1.89%	1.88%

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 9 for Performance Summary footnotes.

Distributions (11/1/23–4/30/24)

Share Class	Net Investment Income	Long-Term Capital Gain	Total
A	\$0.3751	\$0.4821	\$0.8572
C	\$0.2637	\$0.4821	\$0.7458
R	\$0.3391	\$0.4821	\$0.8212
R6	\$0.4230	\$0.4821	\$0.9051
Advisor	\$0.4115	\$0.4821	\$0.8936

Total Annual Operating Expenses⁷

Share Class	With Fee Waiver	Without Fee Waiver
A	0.83%	0.84%
Advisor	0.58%	0.59%

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

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.

1. 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 2/28/25 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.
 2. Cumulative total return represents the change in value of an investment over the periods indicated.
 3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
 4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
 5. 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 includes a prorated special distribution in the month it is paid. The Distribution Rate is not guaranteed, subject to change, and is not a quotation of fund performance.
 6. 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.
 7. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.
- Important data provider notices and terms available at www.franklintempletondatasources.com.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 11/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 4/30/24	Expenses Paid During Period 11/1/23–4/30/24 ^{1,2}	Ending Account Value 4/30/24	Expenses Paid During Period 11/1/23–4/30/24 ^{1,2}	
A	\$1,000	\$1,196.30	\$4.51	\$1,020.76	\$4.15	0.83%
C	\$1,000	\$1,191.70	\$8.58	\$1,017.03	\$7.90	1.58%
R	\$1,000	\$1,194.80	\$5.87	\$1,019.52	\$5.40	1.08%
R6	\$1,000	\$1,198.10	\$2.74	\$1,022.37	\$2.52	0.50%
Advisor	\$1,000	\$1,197.80	\$3.14	\$1,022.00	\$2.89	0.58%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 182/366 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

Franklin Managed Income Fund

This semiannual report for Franklin Managed Income Fund covers the period ended April 30, 2024.

Fund Overview

Your Fund's Goal and Main Investments

The Fund seeks to maximize income to support monthly distributions, while maintaining the prospects for capital appreciation by investing, under normal market conditions, in a diversified portfolio of stocks (substantially dividend paying) and debt securities. The Fund normally invests at least 25% of its total assets in debt securities, including bonds, notes, debentures and money market securities, and at least 25% of its total assets in equity securities, primarily common and preferred stock.

Performance Overview

For the six months under review, the Fund's Class A shares posted a cumulative total return of +10.71%. In comparison, the Fund's primary benchmark, the Bloomberg U.S. Aggregate Index, which measures the performance of the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, posted a +4.97% cumulative total return.¹ The Fund's secondary benchmark, the blended 50% MSCI USA High Dividend Yield Index, 25% ICE BofA U.S. Corporate & High Yield Index and 25% Bloomberg U.S. Aggregate Bond Index (Blended Benchmark), which is a combination of leading stock and bond indexes, posted a +11.30% cumulative total return.² The MSCI USA High Dividend Yield Index is designed to reflect the performance of equities in the MSCI USA Index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent. The MSCI USA Index is designed to measure the performance of the large- and mid-capitalization segments of the U.S. market. The ICE BofA U.S. Corporate & High Yield Index tracks the performance of U.S. dollar-denominated investment-grade corporate debt publicly issued in the U.S. domestic market, and below investment grade, but not in default, U.S. dollar-denominated corporate bonds publicly issued in the U.S. domestic market and includes issues with a credit rating of BBB or below, as rated by credit rating agencies Moody's and Standard & Poor's. The Fund's third benchmark, the Standard & Poor's® 500 Index (S&P 500®),

which is designed to measure total U.S. equity market performance, posted a +20.98% cumulative total return.¹ You can find the Fund's long-term performance data in the Performance Summary beginning on page 13.

The Fund was able to successfully meet its monthly distributions under its managed distribution policy without the return of capital and without an associated impact from return of capital on the Fund's net asset value per share. The policy had no material impact on the Fund's investment strategy.

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

Portfolio Composition

4/30/24

	% of Total Net Assets
Corporate Bonds	55.8%
Common Stocks	29.1%
Equity-Linked Securities	7.9%
U.S. Government and Agency Securities	4.8%
Other*	1.4%
Short-Term Investments & Other Net Assets	1.0%

*Categories within the Other category are listed in full in the Fund's Schedule of Investments (SOI), which can be found later in this report.

Top Five Fixed Income Holdings

4/30/24

Company Industry, Country	% of Total Net Assets
U.S. Treasury Notes Financial Services, United States	2.5%
U.S. Treasury Bonds Financial Services, United States	2.3%
CHS/Community Health Systems, Inc. Health Care Providers & Services, United States	1.3%
BAT Capital Corp. Tobacco, United Kingdom	1.2%
Barclays plc Banks, United Kingdom	1.2%

1. Source: Morningstar.

2. Source: FactSet. The Blended Benchmark was calculated internally.

The indexes are unmanaged and include reinvestment of any income or distributions. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

Important data provider notices and terms available at www.franklintempletondatasources.com.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Schedule of Investments (SOI). The SOI begins on page 40.

Top Five Equity Holdings

4/30/24

Company Industry, Country	% of Total Net Assets
Chevron Corp. <i>Oil, Gas & Consumable Fuels, United States</i>	2.1%
Texas Instruments, Inc. <i>Semiconductors & Semiconductor Equipment, United States</i>	1.8%
Home Depot, Inc. (The) <i>Specialty Retail, United States</i>	1.5%
Exxon Mobil Corp. <i>Oil, Gas & Consumable Fuels, United States</i>	1.4%
Bank of America Corp. <i>Banks, United States</i>	1.3%

Thank you for your continued participation in Franklin Managed Income Fund. We look forward to serving your future investment needs.

Edward D. Perks, CFA
Co-Lead Portfolio Manager

Brendan Circle, CFA
Co-Lead Portfolio Manager

Todd Brighton, CFA
Portfolio Manager

Performance Summary as of April 30, 2024

The performance tables do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses. Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities.

Performance as of 4/30/24¹

*Cumulative total return excludes sales charges. Average annual total return includes maximum sales charges. Sales charges will vary depending on the size of the investment and the class of share purchased. The maximum is 5.50% and the minimum is 0%. **Class A:** 5.50% maximum initial sales charge; **Advisor Class:** no sales charges. For other share classes, visit franklintempleton.com.*

Share Class	Cumulative Total Return ²	Average Annual Total Return ³
A⁴		
6-Month	+10.71%	+4.66%
1-Year	+3.63%	-2.10%
5-Year	+29.37%	+4.11%
10-Year	+69.44%	+4.82%

Advisor		
6-Month	+10.82%	+10.82%
1-Year	+3.81%	+3.81%
5-Year	+30.98%	+5.55%
10-Year	+73.84%	+5.69%

Share Class	Distribution Rate ⁵	30-Day Standardized Yield ⁶
A	4.44%	3.47%
Advisor	4.96%	3.93%

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to franklintempleton.com or call (800) 342-5236.

See page 15 for Performance Summary footnotes.

Net Asset Value

Share Class (Symbol)	4/30/24	10/31/23	Change
A (FBLAX)	\$12.17	\$11.25	+\$0.92
C (FBMCX)	\$12.04	\$11.13	+\$0.91
R (FBFQX)	\$12.21	\$11.28	+\$0.93
R6 (FBFRX)	\$12.20	\$11.28	+\$0.92
Advisor (FBFZX)	\$12.20	\$11.28	+\$0.92

Distributions (11/1/23–4/30/24)

Share Class	Net Investment Income
A	\$0.2828
C	\$0.2342
R	\$0.2682
R6	\$0.3034
Advisor	\$0.2988

Total Annual Operating Expenses⁷

Share Class	With Fee Waiver	Without Fee Waiver
A	0.90%	0.91%
Advisor	0.65%	0.66%

Each class of shares is available to certain eligible investors and has different annual fees and expenses, as described in the prospectus.

Events such as the spread of deadly diseases, disasters, and financial, political or social disruptions, may heighten risks and adversely affect performance.

All investments involve risks, including possible loss of principal. 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. **Equity securities** are subject to price fluctuation and possible loss of principal. 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.

The Fund is not guaranteed to achieve its investment goal nor is there any guarantee that the Fund will provide sufficient income at or through the investor's retirement. In addition, some of its distributions may be treated in part as a return of capital, which will decrease shareholders' cost basis in the Fund and affect the amount of any capital gain or loss that they realize when selling or exchanging Fund shares. The annual payout rate may be adjusted higher or lower from year to year and could vary substantially over time. It is possible for the Fund to suffer substantial investment losses and simultaneously experience additional asset reductions as a result of its distributions to shareholders under the managed distribution policy. Investors who hold the Fund within a tax-advantaged retirement account should consult their tax professional to discuss tax consequences of receiving cash distributions. In addition, use of the Fund or election of the option to receive distribution payments in cash may be restricted in certain retirement plans by the terms of the governing plan documents and/or the discretion of the plan administrator. Investors are strongly advised to consult with their financial professional for assistance before selecting the appropriate Fund, based on their goals and personal situations, including time horizon, retirement income needs, risk tolerance, and tax bracket.

1. 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 2/28/25 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.
2. Cumulative total return represents the change in value of an investment over the periods indicated.
3. Average annual total return represents the average annual change in value of an investment over the periods indicated. Return for less than one year, if any, has not been annualized.
4. Prior to 9/10/18, these shares were offered at a higher initial sales charge of 5.75%, thus actual returns (with sales charges) would have differed. Average annual total returns (with sales charges) have been restated to reflect the current maximum initial sales charge of 5.50%.
5. 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, capital gains and return of capital, and includes a prorated special distribution in the month it is paid. The Distribution Rate is not guaranteed, subject to change, and is not a quotation of fund performance.
6. 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.
7. Figures are as stated in the Fund's current prospectus and may differ from the expense ratios disclosed in the Your Fund's Expenses and Financial Highlights sections in this report. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.

Important data provider notices and terms available at www.franklintempletondatasources.com.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value" for each class of shares. You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number in the row for your class of shares under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Share Class	Beginning Account Value 11/1/23	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Net Annualized Expense Ratio ²
		Ending Account Value 4/30/24	Expenses Paid During Period 11/1/23–4/30/24 ^{1,2}	Ending Account Value 4/30/24	Expenses Paid During Period 11/1/23–4/30/24 ^{1,2}	
A	\$1,000	\$1,107.10	\$4.74	\$1,020.36	\$4.55	0.91%
C	\$1,000	\$1,102.90	\$8.65	\$1,016.63	\$8.30	1.65%
R	\$1,000	\$1,106.30	\$6.05	\$1,019.12	\$5.80	1.15%
R6	\$1,000	\$1,108.60	\$3.09	\$1,021.93	\$2.96	0.59%
Advisor	\$1,000	\$1,108.20	\$3.43	\$1,021.61	\$3.29	0.66%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 182/366 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

Financial Highlights

Franklin Convertible Securities Fund

	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31,				
		2023	2022	2021	2020	2019
Class A						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$18.90	\$20.43	\$31.15	\$27.11	\$22.13	\$20.65
Income from investment operations ^a :						
Net investment income ^b	0.08	0.18	0.14	0.19	0.22	0.21
Net realized and unrealized gains (losses)	2.21	(0.02)	(5.47)	7.01	6.67	2.47
Total from investment operations	2.29	0.16	(5.33)	7.20	6.89	2.68
Less distributions from:						
Net investment income	(0.08)	(0.16)	(0.15)	(0.23)	(0.30)	(0.45)
Net realized gains	(0.29)	(1.53)	(5.24)	(2.93)	(1.61)	(0.75)
Total distributions	(0.37)	(1.69)	(5.39)	(3.16)	(1.91)	(1.20)
Net asset value, end of period	\$20.82	\$18.90	\$20.43	\$31.15	\$27.11	\$22.13
Total return ^c	12.16%	0.62%	(19.94)%	27.98%	33.49%	13.84%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	0.84%	0.82%	0.83%	0.83%	0.83%	0.85%
Expenses net of waiver and payments by affiliates	0.83%	0.81% ^e	0.83% ^{e,f}	0.82% ^e	0.83% ^{e,f}	0.83% ^e
Net investment income	0.81%	0.91%	0.61%	0.64%	0.96%	0.97%
Supplemental data						
Net assets, end of period (000's)	\$932,500	\$901,820	\$1,067,202	\$1,621,832	\$1,385,821	\$1,169,928
Portfolio turnover rate	14.45%	22.92%	6.64%	32.67%	32.46%	26.83%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

^eBenefit of expense reduction rounds to less than 0.01%.

^fBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Convertible Securities Fund (continued)

	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31,				
		2023	2022	2021	2020	2019
Class C						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$18.38	\$19.92	\$30.53	\$26.66	\$21.77	\$20.31
Income from investment operations ^a :						
Net investment income (loss) ^b	0.01	0.03	(0.03)	(0.03)	0.05	0.04
Net realized and unrealized gains (losses)	2.14	(0.02)	(5.34)	6.89	6.56	2.45
Total from investment operations	2.15	0.01	(5.37)	6.86	6.61	2.49
Less distributions from:						
Net investment income	(0.01)	(0.02)	—	(0.06)	(0.11)	(0.28)
Net realized gains	(0.29)	(1.53)	(5.24)	(2.93)	(1.61)	(0.75)
Total distributions	(0.30)	(1.55)	(5.24)	(2.99)	(1.72)	(1.03)
Net asset value, end of period	\$20.23	\$18.38	\$19.92	\$30.53	\$26.66	\$21.77
Total return ^c	11.71%	(0.16)%	(20.53)%	27.04%	32.48%	13.03%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	1.59%	1.57%	1.58%	1.57%	1.59%	1.60%
Expenses net of waiver and payments by affiliates	1.58%	1.56% ^e	1.57% ^e	1.57% ^{e,f}	1.58% ^e	1.58% ^e
Net investment income (loss)	0.06%	0.15%	(0.15)%	(0.10)%	0.21%	0.22%
Supplemental data						
Net assets, end of period (000's)	\$63,163	\$67,313	\$100,936	\$198,611	\$233,295	\$256,075
Portfolio turnover rate	14.45%	22.92%	6.64%	32.67%	32.46%	26.83%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

^eBenefit of expense reduction rounds to less than 0.01%.

^fBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Franklin Convertible Securities Fund (continued)

	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31,				
		2023	2022	2021	2020	2019
Class R6						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$19.08	\$20.62	\$31.39	\$27.29	\$22.28	\$20.78
Income from investment operations ^a :						
Net investment income ^b	0.12	0.25	0.22	0.29	0.31	0.28
Net realized and unrealized gains (losses)	2.24	(0.03)	(5.52)	7.07	6.69	2.50
Total from investment operations	2.36	0.22	(5.30)	7.36	7.00	2.78
Less distributions from:						
Net investment income	(0.12)	(0.23)	(0.23)	(0.33)	(0.38)	(0.53)
Net realized gains	(0.29)	(1.53)	(5.24)	(2.93)	(1.61)	(0.75)
Total distributions	(0.41)	(1.76)	(5.47)	(3.26)	(1.99)	(1.28)
Net asset value, end of period	\$21.03	\$19.08	\$20.62	\$31.39	\$27.29	\$22.28
Total return ^c	12.38%	0.89%	(19.65)%	28.43%	33.89%	14.26%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	0.52%	0.51%	0.51%	0.53%	0.55%	0.54%
Expenses net of waiver and payments by affiliates	0.50%	0.49% ^e	0.48% ^e	0.50% ^e	0.50% ^e	0.49% ^e
Net investment income	1.14%	1.23%	0.95%	0.97%	1.30%	1.31%
Supplemental data						
Net assets, end of period (000's)	\$91,849	\$89,591	\$95,418	\$127,846	\$113,642	\$51,791
Portfolio turnover rate	14.45%	22.92%	6.64%	32.67%	32.46%	26.83%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

^eBenefit of expense reduction rounds to less than 0.01%.

Franklin Convertible Securities Fund (continued)

	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31,				
		2023	2022	2021	2020	2019
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$18.90	\$20.43	\$31.16	\$27.11	\$22.14	\$20.65
Income from investment operations ^a :						
Net investment income ^b	0.11	0.23	0.20	0.26	0.28	0.26
Net realized and unrealized gains (losses)	2.21	(0.02)	(5.48)	7.03	6.66	2.49
Total from investment operations	2.32	0.21	(5.28)	7.29	6.94	2.75
Less distributions from:						
Net investment income	(0.11)	(0.21)	(0.21)	(0.31)	(0.36)	(0.51)
Net realized gains	(0.29)	(1.53)	(5.24)	(2.93)	(1.61)	(0.75)
Total distributions	(0.40)	(1.74)	(5.45)	(3.24)	(1.97)	(1.26)
Net asset value, end of period	\$20.82	\$18.90	\$20.43	\$31.16	\$27.11	\$22.14
Total return ^c	12.30%	0.87%	(19.75)%	28.34%	33.80%	14.18%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	0.59%	0.57%	0.58%	0.58%	0.58%	0.60%
Expenses net of waiver and payments by affiliates	0.58%	0.56% ^e	0.58% ^{e,f}	0.57% ^e	0.58% ^{e,f}	0.58% ^e
Net investment income	1.06%	1.16%	0.85%	0.89%	1.20%	1.22%
Supplemental data						
Net assets, end of period (000's)	\$1,511,944	\$1,474,802	\$1,894,863	\$3,355,546	\$2,773,524	\$2,379,435
Portfolio turnover rate	14.45%	22.92%	6.64%	32.67%	32.46%	26.83%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

^eBenefit of expense reduction rounds to less than 0.01%.

^fBenefit of waiver and payments by affiliates rounds to less than 0.01%.

Schedule of Investments (unaudited), April 30, 2024

Franklin Convertible Securities Fund

	Country	Shares	Value
Convertible Preferred Stocks 5.7%			
Chemicals 2.2%			
^a Albemarle Corp., 7.25%	United States	1,063,200	\$58,337,784
Financial Services 2.4%			
Apollo Global Management, Inc., 6.75%	United States	1,040,000	63,419,200
Machinery 1.1%			
RBC Bearings, Inc., 5%, A.	United States	250,000	28,092,500
Total Convertible Preferred Stocks (Cost \$130,160,000)			149,849,484
		Principal Amount^c	
Convertible Bonds 90.2%			
Aerospace & Defense 2.5%			
Axon Enterprise, Inc., Senior Note, 0.5%, 12/15/27	United States	45,000,000	65,722,500
Biotechnology 8.0%			
Ascendis Pharma A/S, Senior Note, 2.25%, 4/01/28	Denmark	32,500,000	35,779,867
^b Immunocore Holdings plc, Senior Note, 144A, 2.5%, 2/01/30	United Kingdom	20,000,000	19,805,034
Inmed, Inc., Senior Note, 0.75%, 6/01/28	United States	46,000,000	47,008,358
^b Mirum Pharmaceuticals, Inc., Senior Note, 144A, 4%, 5/01/29	United States	16,500,000	18,553,922
Neurocrine Biosciences, Inc., Senior Note, 2.25%, 5/15/24	United States	21,750,000	39,191,325
PTC Therapeutics, Inc., Senior Note, 1.5%, 9/15/26	United States	48,000,000	46,596,000
			206,934,506
Broadline Retail 2.3%			
Etsy, Inc., Senior Note, 0.125%, 9/01/27	United States	72,500,000	59,972,000
Communications Equipment 0.8%			
Viavi Solutions, Inc., 1.625%, 3/15/26	United States	20,709,000	19,401,744
Construction & Engineering 1.6%			
^b Fluor Corp., Senior Note, 144A, 1.125%, 8/15/29	United States	39,000,000	42,558,750
Consumer Staples Distribution & Retail 0.8%			
Chefs' Warehouse, Inc. (The), Senior Note, 2.375%, 12/15/28	United States	21,000,000	21,532,939
Electric Utilities 4.2%			
Duke Energy Corp., Senior Note, 4.125%, 4/15/26	United States	30,500,000	30,324,468
^b NextEra Energy Capital Holdings, Inc., Senior Note, 144A, 3%, 3/01/27	United States	24,000,000	26,220,000
^b PG&E Corp., Senior Secured Note, 144A, 4.25%, 12/01/27	United States	52,000,000	52,143,000
			108,687,468
Energy Equipment & Services 1.0%			
Oil States International, Inc., Senior Note, 4.75%, 4/01/26	United States	28,000,000	26,124,000
Financial Services 7.1%			
Block, Inc.,			
Senior Note, Zero Cpn., 5/01/26	United States	24,500,000	21,911,575
Senior Note, 0.25%, 11/01/27	United States	45,000,000	36,933,750
^b Global Payments, Inc., Senior Note, 144A, 1.5%, 3/01/31	United States	50,000,000	49,950,000
^b Repay Holdings Corp., Senior Note, 144A, Zero Cpn., 2/01/26	United States	19,000,000	17,337,198
Shift4 Payments, Inc.,			
Senior Note, Zero Cpn., 12/15/25	United States	26,000,000	26,894,400
Senior Note, 0.5%, 8/01/27	United States	35,000,000	31,223,500
			184,250,423

Franklin Convertible Securities Fund (continued)

	Country	Principal Amount ^a	Value
Convertible Bonds (continued)			
Food Products 3.3%			
Freshpet, Inc., Senior Note, 3%, 4/01/28	United States	27,000,000	\$45,231,750
Post Holdings, Inc., Senior Note, 2.5%, 8/15/27	United States	36,000,000	40,356,000
			<u>85,587,750</u>
Ground Transportation 4.3%			
Lyft, Inc.,			
Senior Note, 1.5%, 5/15/25	United States	22,349,000	21,487,634
^b Senior Note, 144A, 0.625%, 3/01/29	United States	35,000,000	36,142,440
Uber Technologies, Inc.,			
Senior Note, Zero Cpn., 12/15/25	United States	30,000,000	31,275,000
^b 2028, Senior Note, 144A, 0.875%, 12/01/28	United States	20,500,000	23,031,750
			<u>111,936,824</u>
Health Care Equipment & Supplies 7.4%			
Dexcom, Inc.,			
Senior Note, 0.25%, 11/15/25	United States	31,000,000	32,572,300
^b Senior Note, 144A, 0.375%, 5/15/28	United States	32,250,000	32,821,236
Haemonetics Corp., Senior Note, Zero Cpn., 3/01/26	United States	37,500,000	34,417,500
Insulet Corp., Senior Note, 0.375%, 9/01/26	United States	50,000,000	51,555,045
Integer Holdings Corp., Senior Note, 2.125%, 2/15/28	United States	30,000,000	41,850,000
			<u>193,216,081</u>
Hotel & Resort REITs 0.9%			
Pebblebrook Hotel Trust, Senior Note, 1.75%, 12/15/26	United States	26,000,000	22,851,400
Hotels, Restaurants & Leisure 3.0%			
Booking Holdings, Inc., Senior Note, 0.75%, 5/01/25	United States	19,000,000	34,948,600
Vail Resorts, Inc., Senior Note, Zero Cpn., 1/01/26	United States	48,000,000	43,800,000
			<u>78,748,600</u>
Industrial REITs 2.2%			
^b Rexford Industrial Realty LP,			
Senior Note, 144A, 4.375%, 3/15/27	United States	20,000,000	19,445,579
Senior Note, 144A, 4.125%, 3/15/29	United States	40,000,000	38,574,333
			<u>58,019,912</u>
Interactive Media & Services 1.1%			
Snap, Inc., Senior Note, 0.125%, 3/01/28	United States	35,000,000	27,492,500
IT Services 4.8%			
Cloudflare, Inc., Senior Note, Zero Cpn., 8/15/26	United States	66,200,000	60,457,150
Okta, Inc., Senior Note, 0.125%, 9/01/25	United States	53,000,000	50,217,500
Wix.com Ltd., Senior Note, Zero Cpn., 8/15/25	Israel	15,400,000	14,314,300
			<u>124,988,950</u>
Life Sciences Tools & Services 1.5%			
^b Repligen Corp., Senior Note, 144A, 1%, 12/15/28	United States	36,000,000	37,746,000
Media 4.8%			
Cable One, Inc.,			
Senior Note, Zero Cpn., 3/15/26	United States	18,750,000	16,265,625
Senior Note, 1.125%, 3/15/28	United States	36,250,000	26,883,000
^b Liberty Broadband Corp., Senior Bond, 144A, 3.125%, 3/31/53	United States	62,000,000	57,901,800

Franklin Convertible Securities Fund (continued)

	Country	Principal Amount ^a	Value
Convertible Bonds (continued)			
Media (continued)			
Liberty Media Corp., Senior Note, 3.75%, 3/15/28	United States	23,000,000	\$24,817,000
			125,867,425
Metals & Mining 2.6%			
^b Ivanhoe Mines Ltd., Senior Note, 144A, 2.5%, 4/15/26.	Canada	35,500,000	66,409,850
Multi-Utilities 2.5%			
^b CenterPoint Energy, Inc., Senior Note, 144A, 4.25%, 8/15/26. . . .	United States	65,000,000	64,480,000
Pharmaceuticals 2.9%			
Jazz Investments I Ltd.,			
Senior Note, 1.5%, 8/15/24	United States	14,750,000	14,565,625
Senior Note, 2%, 6/15/26	United States	55,000,000	53,143,750
Revanche Therapeutics, Inc., Senior Note, 1.75%, 2/15/27	United States	12,000,000	8,064,000
			75,773,375
Real Estate Management & Development 1.2%			
Zillow Group, Inc., Senior Note, 2.75%, 5/15/25.	United States	31,500,000	32,004,000
Semiconductors & Semiconductor Equipment 3.0%			
MACOM Technology Solutions Holdings, Inc., Senior Note, 0.25%, 3/15/26	United States	31,000,000	41,036,250
Wolfspeed, Inc.,			
Senior Note, 0.25%, 2/15/28	United States	29,900,000	17,790,500
Senior Note, 1.875%, 12/01/29	United States	35,000,000	20,238,750
			79,065,500
Software 10.2%			
BILL Holdings, Inc.,			
Senior Note, Zero Cpn., 12/01/25	United States	37,500,000	34,668,750
Senior Note, Zero Cpn., 4/01/27	United States	12,000,000	10,230,000
BlackLine, Inc., Senior Note, 0.125%, 8/01/24	United States	9,500,000	9,466,750
Envestnet, Inc.,			
Senior Note, 0.75%, 8/15/25	United States	4,900,000	4,757,900
Senior Note, 2.625%, 12/01/27	United States	47,500,000	50,943,750
Guidewire Software, Inc., Senior Note, 1.25%, 3/15/25	United States	44,000,000	49,060,000
HubSpot, Inc., Senior Note, 0.375%, 6/01/25.	United States	24,500,000	52,895,500
Workiva, Inc.,			
Senior Note, 1.125%, 8/15/26	United States	7,000,000	8,088,500
^b Senior Note, 144A, 1.25%, 8/15/28	United States	49,000,000	44,051,000
			264,162,150
Specialty Retail 6.2%			
Burlington Stores, Inc.,			
Senior Note, 2.25%, 4/15/25	United States	13,000,000	13,669,500
^b Senior Note, 144A, 1.25%, 12/15/27	United States	42,287,000	46,156,261
RealReal, Inc. (The), Senior Note, 1%, 3/01/28	United States	30,000,000	13,617,000
RH, Senior Note, Zero Cpn., 9/15/24	United States	24,000,000	30,516,000
Wayfair, Inc.,			
Senior Note, 3.25%, 9/15/27	United States	47,250,000	52,173,450

Franklin Convertible Securities Fund (continued)

	Country	Principal Amount [*]	Value
Convertible Bonds (continued)			
Specialty Retail (continued)			
Wayfair, Inc., (continued)			
^b Senior Note, 144A, 3.5%, 11/15/28	United States	3,450,000	\$4,598,850
			160,731,061
Total Convertible Bonds (Cost \$2,299,256,555)			2,344,265,708
Total Long Term Investments (Cost \$2,429,416,555)			2,494,115,192
Short Term Investments 3.9%			
	Country	Shares	Value
Money Market Funds 3.9%			
^{c,d} Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	United States	101,379,227	101,379,227
Total Money Market Funds (Cost \$101,379,227)			101,379,227
Total Short Term Investments (Cost \$101,379,227)			101,379,227
Total Investments (Cost \$2,530,795,782) 99.8%			\$2,595,494,419
Other Assets, less Liabilities 0.2%			3,962,068
Net Assets 100.0%			\$2,599,456,487

See Abbreviations on page 70.

^{*}The principal amount is stated in U.S. dollars unless otherwise indicated.

^aNon-income producing.

^bSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At April 30, 2024, the aggregate value of these securities was \$697,927,003, representing 26.8% of net assets.

^cSee Note 3(f) regarding investments in affiliated management investment companies.

^dThe rate shown is the annualized seven-day effective yield at period end.

Financial Highlights

Franklin Equity Income Fund

	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31,				
		2023	2022	2021	2020	2019
Class A						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$26.71	\$28.35	\$33.10	\$24.22	\$26.23	\$24.86
Income from investment operations ^a :						
Net investment income ^b	0.29	0.55	0.49	0.44	0.49	0.46
Net realized and unrealized gains (losses)	4.89	(0.57)	(2.94)	9.26	(1.11)	2.49
Total from investment operations	5.18	(0.02)	(2.45)	9.70	(0.62)	2.95
Less distributions from:						
Net investment income	(0.38)	(0.72)	(0.63)	(0.60)	(0.63)	(0.58)
Net realized gains	(0.48)	(0.90)	(1.67)	(0.22)	(0.76)	(1.00)
Total distributions	(0.86)	(1.62)	(2.30)	(0.82)	(1.39)	(1.58)
Net asset value, end of period	\$31.03	\$26.71	\$28.35	\$33.10	\$24.22	\$26.23
Total return ^c	19.63%	(0.25)%	(7.84)%	40.58%	(2.43)%	12.73%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	0.83%	0.83%	0.83%	0.85%	0.86%	0.86%
Expenses net of waiver and payments by affiliates	0.83% ^e	0.82% ^f	0.82% ^f	0.85% ^{e,f}	0.85% ^f	0.85% ^f
Net investment income	1.95%	1.93%	1.64%	1.47%	1.98%	1.85%
Supplemental data						
Net assets, end of period (000's)	\$3,155,346	\$2,777,434	\$2,841,036	\$2,952,462	\$1,953,985	\$2,017,910
Portfolio turnover rate	14.41%	29.01%	25.41%	25.49%	26.90%	23.23%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

^eBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^fBenefit of expense reduction rounds to less than 0.01%.

Franklin Equity Income Fund (continued)

	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31,				
		2023	2022	2021	2020	2019
Class C						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$26.53	\$28.11	\$32.83	\$24.03	\$26.01	\$24.64
Income from investment operations ^a :						
Net investment income ^b	0.18	0.34	0.26	0.22	0.30	0.28
Net realized and unrealized gains (losses)	4.85	(0.56)	(2.91)	9.17	(1.10)	2.47
Total from investment operations	5.03	(0.22)	(2.65)	9.39	(0.80)	2.75
Less distributions from:						
Net investment income	(0.26)	(0.46)	(0.40)	(0.37)	(0.42)	(0.38)
Net realized gains	(0.48)	(0.90)	(1.67)	(0.22)	(0.76)	(1.00)
Total distributions	(0.74)	(1.36)	(2.07)	(0.59)	(1.18)	(1.38)
Net asset value, end of period	\$30.82	\$26.53	\$28.11	\$32.83	\$24.03	\$26.01
Total return ^c	19.17%	(0.97)%	(8.53)%	39.51%	(3.19)%	11.91%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	1.58%	1.58%	1.58%	1.60%	1.61%	1.61%
Expenses net of waiver and payments by affiliates	1.58% ^e	1.57% ^f	1.57% ^f	1.60% ^{e,f}	1.60% ^f	1.60% ^f
Net investment income	1.21%	1.20%	0.89%	0.73%	1.23%	1.10%
Supplemental data						
Net assets, end of period (000's)	\$102,898	\$95,960	\$181,548	\$202,148	\$161,707	\$208,734
Portfolio turnover rate	14.41%	29.01%	25.41%	25.49%	26.90%	23.23%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

^eBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^fBenefit of expense reduction rounds to less than 0.01%.

Franklin Equity Income Fund (continued)

	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31,				
		2023	2022	2021	2020	2019
Class R						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$26.72	\$28.37	\$33.12	\$24.24	\$26.23	\$24.85
Income from investment operations ^a :						
Net investment income ^b	0.25	0.48	0.42	0.36	0.43	0.41
Net realized and unrealized gains (losses)	4.90	(0.57)	(2.94)	9.27	(1.10)	2.49
Total from investment operations	5.15	(0.09)	(2.52)	9.63	(0.67)	2.90
Less distributions from:						
Net investment income	(0.34)	(0.66)	(0.56)	(0.53)	(0.56)	(0.52)
Net realized gains	(0.48)	(0.90)	(1.67)	(0.22)	(0.76)	(1.00)
Total distributions	(0.82)	(1.56)	(2.23)	(0.75)	(1.32)	(1.52)
Net asset value, end of period	\$31.05	\$26.72	\$28.37	\$33.12	\$24.24	\$26.23
Total return ^c	19.48%	(0.52)%	(8.07)%	40.22%	(2.62)%	12.50%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	1.08%	1.08%	1.08%	1.09%	1.08%	1.09%
Expenses net of waiver and payments by affiliates	1.08% ^e	1.07% ^f	1.07% ^f	1.09% ^{e,f}	1.08% ^{e,f}	1.08% ^f
Net investment income	1.70%	1.67%	1.40%	1.22%	1.75%	1.62%
Supplemental data						
Net assets, end of period (000's)	\$12,938	\$10,671	\$9,580	\$9,426	\$5,795	\$7,284
Portfolio turnover rate	14.41%	29.01%	25.41%	25.49%	26.90%	23.23%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

^eBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^fBenefit of expense reduction rounds to less than 0.01%.

Franklin Equity Income Fund (continued)

	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31,				
		2023	2022	2021	2020	2019
Class R6						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$26.77	\$28.40	\$33.17	\$24.27	\$26.29	\$24.91
Income from investment operations ^a :						
Net investment income ^b	0.34	0.64	0.59	0.54	0.57	0.54
Net realized and unrealized gains (losses)	4.91	(0.55)	(2.95)	9.27	(1.11)	2.50
Total from investment operations	5.25	0.09	(2.36)	9.81	(0.54)	3.04
Less distributions from:						
Net investment income	(0.42)	(0.82)	(0.74)	(0.69)	(0.72)	(0.66)
Net realized gains	(0.48)	(0.90)	(1.67)	(0.22)	(0.76)	(1.00)
Total distributions	(0.90)	(1.72)	(2.41)	(0.91)	(1.48)	(1.66)
Net asset value, end of period	\$31.12	\$26.77	\$28.40	\$33.17	\$24.27	\$26.29
Total return ^c	19.81%	0.08%	(7.53)%	41.02%	(2.07)%	13.12%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	0.51%	0.51%	0.51%	0.53%	0.52%	0.53%
Expenses net of waiver and payments by affiliates	0.50%	0.49% ^e	0.49% ^e	0.51% ^e	0.51% ^e	0.51% ^e
Net investment income	2.28%	2.26%	1.97%	1.80%	2.32%	2.19%
Supplemental data						
Net assets, end of period (000's)	\$173,214	\$149,692	\$159,953	\$150,328	\$97,565	\$96,406
Portfolio turnover rate	14.41%	29.01%	25.41%	25.49%	26.90%	23.23%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

^eBenefit of expense reduction rounds to less than 0.01%.

Franklin Equity Income Fund (continued)

	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31,				
		2023	2022	2021	2020	2019
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$26.76	\$28.40	\$33.16	\$24.26	\$26.27	\$24.90
Income from investment operations ^a :						
Net investment income ^b	0.33	0.62	0.56	0.51	0.55	0.50
Net realized and unrealized gains (losses)	4.90	(0.57)	(2.94)	9.28	(1.11)	2.51
Total from investment operations	5.23	0.05	(2.38)	9.79	(0.56)	3.01
Less distributions from:						
Net investment income	(0.41)	(0.79)	(0.71)	(0.67)	(0.69)	(0.64)
Net realized gains	(0.48)	(0.90)	(1.67)	(0.22)	(0.76)	(1.00)
Total distributions	(0.89)	(1.69)	(2.38)	(0.89)	(1.45)	(1.64)
Net asset value, end of period	\$31.10	\$26.76	\$28.40	\$33.16	\$24.26	\$26.27
Total return ^c	19.78%	(—)% ^d	(7.62)%	40.94%	(2.18)%	13.04%
Ratios to average net assets^e						
Expenses before waiver and payments by affiliates	0.58%	0.58%	0.58%	0.60%	0.61%	0.61%
Expenses net of waiver and payments by affiliates	0.58% ^f	0.57% ^g	0.57% ^g	0.60% ^{h,g}	0.60% ^g	0.60% ^g
Net investment income	2.20%	2.18%	1.89%	1.70%	2.21%	2.10%
Supplemental data						
Net assets, end of period (000's)	\$364,040	\$329,595	\$382,893	\$378,891	\$219,362	\$173,739
Portfolio turnover rate	14.41%	29.01%	25.41%	25.49%	26.90%	23.23%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return is not annualized for periods less than one year.

^dRounds to less than 0.01%.

^eRatios are annualized for periods less than one year.

^fBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^gBenefit of expense reduction rounds to less than 0.01%.

Schedule of Investments (unaudited), April 30, 2024

Franklin Equity Income Fund

	Country	Shares	Value
Common Stocks 86.3%			
Aerospace & Defense 2.3%			
L3Harris Technologies, Inc.	United States	80,000	\$17,124,000
RTX Corp.	United States	676,500	68,678,280
			85,802,280
Air Freight & Logistics 1.6%			
United Parcel Service, Inc., B	United States	425,000	62,679,000
Banks 7.4%			
Bank of America Corp.	United States	2,840,000	105,108,400
JPMorgan Chase & Co.	United States	927,500	177,838,850
			282,947,250
Beverages 3.1%			
Coca-Cola Co. (The)	United States	780,000	48,180,600
PepsiCo, Inc.	United States	390,000	68,604,900
			116,785,500
Capital Markets 8.6%			
Ares Management Corp., A.	United States	462,500	61,554,125
BlackRock, Inc.	United States	57,500	43,391,800
Blackstone, Inc.	United States	365,000	42,562,650
Charles Schwab Corp. (The)	United States	765,000	56,571,750
Morgan Stanley.	United States	1,361,500	123,678,660
			327,758,985
Chemicals 2.1%			
BASF SE	Germany	665,000	34,846,967
Huntsman Corp.	United States	400,000	9,544,000
Linde plc.	United States	78,500	34,615,360
			79,006,327
Commercial Services & Supplies 0.2%			
Republic Services, Inc., A	United States	50,000	9,585,000
Communications Equipment 1.6%			
Cisco Systems, Inc.	United States	1,330,000	62,483,400
Consumer Finance 1.0%			
American Express Co.	United States	162,500	38,029,875
Consumer Staples Distribution & Retail 2.4%			
Casey's General Stores, Inc.	United States	27,000	8,628,660
Target Corp.	United States	118,600	19,092,228
Walmart, Inc.	United States	1,077,500	63,949,625
			91,670,513
Electric Utilities 4.4%			
Duke Energy Corp.	United States	840,000	82,538,400
Evergy, Inc.	United States	475,000	24,913,750
NextEra Energy, Inc.	United States	485,000	32,480,450
PPL Corp.	United States	1,000,000	27,460,000
			167,392,600
Electrical Equipment 2.3%			
Eaton Corp. plc.	United States	227,500	72,404,150
Emerson Electric Co.	United States	157,000	16,921,460
			89,325,610
Electronic Equipment, Instruments & Components 1.4%			
TE Connectivity Ltd.	United States	368,000	52,064,640

Franklin Equity Income Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Financial Services 0.8%			
Apollo Global Management, Inc.	United States	295,000	\$31,972,100
Food Products 0.9%			
Mondelez International, Inc., A.	United States	487,500	35,070,750
Ground Transportation 0.8%			
Norfolk Southern Corp.	United States	127,000	29,250,640
Health Care Equipment & Supplies 3.4%			
Becton Dickinson & Co.	United States	88,500	20,762,100
^a Boston Scientific Corp.	United States	725,000	52,105,750
Medtronic plc	United States	695,000	55,766,800
			128,634,650
Health Care Providers & Services 3.8%			
HCA Healthcare, Inc.	United States	260,000	80,553,200
UnitedHealth Group, Inc.	United States	132,500	64,090,250
			144,643,450
Health Care REITs 1.3%			
Healthpeak Properties, Inc.	United States	595,000	11,072,950
Ventas, Inc.	United States	857,500	37,970,100
			49,043,050
Hotels, Restaurants & Leisure 1.1%			
McDonald's Corp.	United States	158,500	43,276,840
Household Products 2.7%			
Procter & Gamble Co. (The)	United States	625,000	102,000,000
Industrial REITs 0.7%			
Prologis, Inc.	United States	266,608	27,207,346
Insurance 0.2%			
Arthur J Gallagher & Co.	United States	35,000	8,214,150
Interactive Media & Services 0.8%			
^a Alphabet, Inc., A	United States	185,000	30,114,300
Life Sciences Tools & Services 2.9%			
Danaher Corp.	United States	215,513	53,149,816
Thermo Fisher Scientific, Inc.	United States	102,500	58,293,800
			111,443,616
Machinery 1.3%			
Caterpillar, Inc.	United States	95,000	31,784,150
Illinois Tool Works, Inc.	United States	75,000	18,308,250
			50,092,400
Media 1.1%			
Comcast Corp., A	United States	1,105,000	42,111,550
Oil, Gas & Consumable Fuels 9.9%			
Canadian Natural Resources Ltd.	Canada	535,000	40,563,700
Chevron Corp.	United States	850,000	137,079,500
EOG Resources, Inc.	United States	500,000	66,065,000
Shell plc, ADR.	United States	973,000	69,725,180
Suncor Energy, Inc.	Canada	1,680,000	64,159,200
			377,592,580
Pharmaceuticals 5.9%			
AstraZeneca plc, ADR.	United Kingdom	765,000	58,048,200
Johnson & Johnson	United States	740,000	106,996,600

Franklin Equity Income Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Pharmaceuticals (continued)			
Merck & Co., Inc.	United States	452,500	\$58,472,050
			223,516,850
Residential REITs 1.3%			
Mid-America Apartment Communities, Inc.	United States	367,500	47,775,000
Semiconductors & Semiconductor Equipment 4.0%			
Broadcom, Inc.	United States	64,000	83,217,280
Texas Instruments, Inc.	United States	382,500	67,480,650
			150,697,930
Software 2.3%			
Oracle Corp.	United States	777,500	88,440,625
Specialty Retail 2.0%			
Lowe's Cos., Inc.	United States	145,000	33,058,550
Tractor Supply Co.	United States	152,500	41,644,700
			74,703,250
Trading Companies & Distributors 0.7%			
United Rentals, Inc.	United States	39,500	26,385,605
Total Common Stocks (Cost \$2,205,986,630).			3,287,717,662
^bEquity-Linked Securities 8.7%			
Capital Markets 1.2%			
^c Royal Bank of Canada into Blackstone, Inc., 144A, 9%, 8/30/24. . .	United States	186,500	21,392,154
^c Wells Fargo Bank NA into Charles Schwab Corp. (The), 144A, 7%, 12/09/24	United States	348,500	23,235,836
			44,627,990
Chemicals 0.6%			
^c Citigroup Global Markets Holdings, Inc. into Huntsman Corp., 144A, 8%, 5/09/24	United States	894,000	21,793,577
Consumer Finance 0.8%			
^c Wells Fargo Bank NA into American Express Co., 144A, 4%, 3/03/25	United States	132,000	30,335,120
Consumer Staples Distribution & Retail 1.1%			
^c Royal Bank of Canada into Target Corp., 144A, 7.5%, 12/13/24 . . .	United States	174,500	26,386,437
^c UBS AG into Casey's General Stores, Inc., 144A, 5%, 4/23/25. . . .	United States	50,500	15,922,906
			42,309,343
Energy Equipment & Services 0.6%			
^c JPMorgan Chase Bank NA into Technip Energies NV, 144A, 6%, 7/19/24	France	160,000	22,714,710
Health Care Equipment & Supplies 0.6%			
^c Citigroup Global Markets Holdings, Inc. into Boston Scientific Corp., 144A, 5.5%, 6/21/24	United States	385,000	23,163,472
Industrial REITs 0.5%			
^c Barclays Bank plc into Prologis, Inc., 144A, 7%, 1/17/25	United States	199,500	21,184,493
Interactive Media & Services 0.5%			
^c Jefferies Financial Group, Inc. into Alphabet, Inc., 144A, 7.5%, 4/16/25	United States	127,000	20,582,090
Life Sciences Tools & Services 0.5%			
^c Royal Bank of Canada into Thermo Fisher Scientific, Inc., 144A, 5.5%, 10/09/24	United States	36,000	19,913,349

Franklin Equity Income Fund (continued)

	Country	Shares	Value
^bEquity-Linked Securities (continued)			
Machinery 0.8%			
^c Citigroup Global Markets Holdings, Inc. into Caterpillar, Inc., 144A, 8%, 11/01/24	United States	95,000	\$29,314,885
Oil, Gas & Consumable Fuels 0.8%			
^c Barclays Bank plc into Canadian Natural Resources Ltd., 144A, 9%, 2/03/25	Canada	396,000	29,404,278
Trading Companies & Distributors 0.7%			
^c Citigroup Global Markets Holdings, Inc. into United Rentals, Inc., 144A, 9%, 9/27/24	United States	45,500	25,486,700
Total Equity-Linked Securities (Cost \$306,416,682)			330,830,007
Convertible Preferred Stocks 2.6%			
Electric Utilities 1.3%			
^d NextEra Energy, Inc., 6.926%	United States	1,237,500	50,428,125
Financial Services 1.3%			
Apollo Global Management, Inc., 6.75%	United States	790,500	48,204,690
Total Convertible Preferred Stocks (Cost \$94,981,359)			98,632,815
Total Long Term Investments (Cost \$2,607,384,671)			3,717,180,484
Short Term Investments 2.9%			
Money Market Funds 2.1%			
^{e,f} Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	United States	78,808,504	78,808,504
Total Money Market Funds (Cost \$78,808,504)			78,808,504
^gInvestments from Cash Collateral Received for Loaned Securities 0.8%			
Money Market Funds 0.8%			
^{e,f} Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	United States	32,895,000	32,895,000
Total Investments from Cash Collateral Received for Loaned Securities (Cost \$32,895,000)			32,895,000
Total Short Term Investments (Cost \$111,703,504)			111,703,504
Total Investments (Cost \$2,719,088,175) 100.5%			\$3,828,883,988
Other Assets, less Liabilities (0.5)%			(20,447,471)
Net Assets 100.0%			\$3,808,436,517

Franklin Equity Income Fund (continued)

See Abbreviations on page 70.

^a Non-income producing.

^b See Note 1(d) regarding equity-linked securities.

^c Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At April 30, 2024, the aggregate value of these securities was \$330,830,007, representing 8.7% of net assets.

^d A portion or all of the security is on loan at April 30, 2024. See Note 1(e).

^e See Note 3(f) regarding investments in affiliated management investment companies.

^f The rate shown is the annualized seven-day effective yield at period end.

^g See Note 1(e) regarding securities on loan.

Financial Highlights

Franklin Managed Income Fund

	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31,				
		2023	2022	2021	2020	2019
Class A						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$11.25	\$11.73	\$13.83	\$11.73	\$12.80	\$11.89
Income from investment operations ^a :						
Net investment income ^b	0.23	0.46	0.35	0.30	0.31	0.29
Net realized and unrealized gains (losses)	0.97	(0.40)	(1.46)	2.36	(0.44)	1.17
Total from investment operations	1.20	0.06	(1.11)	2.66	(0.13)	1.46
Less distributions from:						
Net investment income	(0.28)	(0.54)	(0.50)	(0.47)	(0.46)	(0.41)
Net realized gains	—	—	(0.49)	(0.09)	(0.48)	(0.14)
Total distributions	(0.28)	(0.54)	(0.99)	(0.56)	(0.94)	(0.55)
Net asset value, end of period	\$12.17	\$11.25	\$11.73	\$13.83	\$11.73	\$12.80
Total return ^c	10.71%	0.34%	(8.52)%	23.01%	(1.06)%	12.64%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	0.91%	0.90%	0.91%	0.92%	0.93%	0.96%
Expenses net of waiver and payments by affiliates	0.91% ^e	0.89% ^f	0.90% ^f	0.91% ^f	0.91% ^f	0.94% ^f
Net investment income	3.85%	3.78%	2.72%	2.27%	2.55%	2.36%
Supplemental data						
Net assets, end of period (000's)	\$2,953,598	\$2,844,145	\$3,102,045	\$3,523,379	\$2,860,390	\$2,966,899
Portfolio turnover rate	5.15%	92.40%	75.02%	39.64%	64.69%	53.02%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

^eBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^fBenefit of expense reduction rounds to less than 0.01%.

Franklin Managed Income Fund (continued)

	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31,				
		2023	2022	2021	2020	2019
Class C						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$11.13	\$11.61	\$13.68	\$11.61	\$12.67	\$11.78
Income from investment operations ^a :						
Net investment income ^b	0.19	0.36	0.25	0.20	0.22	0.20
Net realized and unrealized gains (losses)	0.95	(0.39)	(1.43)	2.34	(0.43)	1.15
Total from investment operations	1.14	(0.03)	(1.18)	2.54	(0.21)	1.35
Less distributions from:						
Net investment income	(0.23)	(0.45)	(0.40)	(0.38)	(0.37)	(0.32)
Net realized gains	—	—	(0.49)	(0.09)	(0.48)	(0.14)
Total distributions	(0.23)	(0.45)	(0.89)	(0.47)	(0.85)	(0.46)
Net asset value, end of period	\$12.04	\$11.13	\$11.61	\$13.68	\$11.61	\$12.67
Total return ^c	10.29%	(0.46)%	(9.15)%	22.07%	(1.79)%	11.79%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	1.66%	1.65%	1.66%	1.66%	1.68%	1.71%
Expenses net of waiver and payments by affiliates	1.65%	1.64% ^e	1.65% ^e	1.65% ^e	1.66% ^e	1.69% ^e
Net investment income	3.10%	3.01%	1.94%	1.54%	1.84%	1.61%
Supplemental data						
Net assets, end of period (000's)	\$106,135	\$115,185	\$168,085	\$259,206	\$341,521	\$491,751
Portfolio turnover rate	5.15%	92.40%	75.02%	39.64%	64.69%	53.02%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

^eBenefit of expense reduction rounds to less than 0.01%.

Franklin Managed Income Fund (continued)

	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31,				
		2023	2022	2021	2020	2019
Class R						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$11.28	\$11.77	\$13.88	\$11.76	\$12.84	\$11.92
Income from investment operations ^a :						
Net investment income ^b	0.22	0.43	0.32	0.27	0.28	0.26
Net realized and unrealized gains (losses)	0.98	(0.40)	(1.47)	2.38	(0.45)	1.18
Total from investment operations	1.20	0.03	(1.15)	2.65	(0.17)	1.44
Less distributions from:						
Net investment income	(0.27)	(0.52)	(0.47)	(0.44)	(0.43)	(0.38)
Net realized gains	—	—	(0.49)	(0.09)	(0.48)	(0.14)
Total distributions	(0.27)	(0.52)	(0.96)	(0.53)	(0.91)	(0.52)
Net asset value, end of period	\$12.21	\$11.28	\$11.77	\$13.88	\$11.76	\$12.84
Total return ^c	10.63%	0.02%	(8.79)%	22.84%	(1.38)%	12.43%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	1.16%	1.15%	1.16%	1.16%	1.18%	1.21%
Expenses net of waiver and payments by affiliates	1.15%	1.14% ^e	1.15% ^e	1.15% ^e	1.16% ^e	1.19% ^e
Net investment income	3.60%	3.52%	2.47%	2.03%	2.33%	2.11%
Supplemental data						
Net assets, end of period (000's)	\$2,442	\$2,382	\$2,976	\$3,435	\$3,093	\$4,081
Portfolio turnover rate	5.15%	92.40%	75.02%	39.64%	64.69%	53.02%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

^eBenefit of expense reduction rounds to less than 0.01%.

Franklin Managed Income Fund (continued)

	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31,				
		2023	2022	2021	2020	2019
Class R6						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$11.28	\$11.77	\$13.88	\$11.76	\$12.85	\$11.93
Income from investment operations ^a :						
Net investment income ^b	0.25	0.50	0.39	0.34	0.35	0.33
Net realized and unrealized gains (losses)	0.97	(0.40)	(1.46)	2.39	(0.45)	1.18
Total from investment operations	1.22	0.10	(1.07)	2.73	(0.10)	1.51
Less distributions from:						
Net investment income	(0.30)	(0.59)	(0.55)	(0.52)	(0.51)	(0.45)
Net realized gains	—	—	(0.49)	(0.09)	(0.48)	(0.14)
Total distributions	(0.30)	(0.59)	(1.04)	(0.61)	(0.99)	(0.59)
Net asset value, end of period	\$12.20	\$11.28	\$11.77	\$13.88	\$11.76	\$12.85
Total return ^c	10.86%	0.61%	(8.23)%	23.52%	(0.86)%	13.14%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	0.59%	0.59%	0.60%	0.60%	0.60%	0.63%
Expenses net of waiver and payments by affiliates	0.59% ^e	0.58% ^f	0.59% ^f	0.59% ^f	0.58% ^f	0.61% ^f
Net investment income	4.16%	4.10%	3.05%	2.59%	2.87%	2.69%
Supplemental data						
Net assets, end of period (000's)	\$180,667	\$174,925	\$169,511	\$184,084	\$155,563	\$159,877
Portfolio turnover rate	5.15%	92.40%	75.02%	39.64%	64.69%	53.02%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

^eBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^fBenefit of expense reduction rounds to less than 0.01%.

Franklin Managed Income Fund (continued)

	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31,				
		2023	2022	2021	2020	2019
Advisor Class						
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$11.28	\$11.76	\$13.87	\$11.76	\$12.84	\$11.92
Income from investment operations ^a :						
Net investment income ^b	0.25	0.49	0.38	0.34	0.34	0.32
Net realized and unrealized gains (losses)	0.97	(0.39)	(1.46)	2.37	(0.44)	1.18
Total from investment operations	1.22	0.10	(1.08)	2.71	(0.10)	1.50
Less distributions from:						
Net investment income	(0.30)	(0.58)	(0.54)	(0.51)	(0.50)	(0.44)
Net realized gains	—	—	(0.49)	(0.09)	(0.48)	(0.14)
Total distributions	(0.30)	(0.58)	(1.03)	(0.60)	(0.98)	(0.58)
Net asset value, end of period	\$12.20	\$11.28	\$11.76	\$13.87	\$11.76	\$12.84
Total return ^c	10.82%	0.60%	(8.31)%	23.34%	(0.86)%	12.96%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	0.66%	0.65%	0.66%	0.67%	0.68%	0.71%
Expenses net of waiver and payments by affiliates	0.66% ^e	0.64% ^f	0.65% ^f	0.66% ^f	0.66% ^f	0.69% ^f
Net investment income	4.10%	4.03%	2.98%	2.52%	2.79%	2.61%
Supplemental data						
Net assets, end of period (000's)	\$193,713	\$191,532	\$203,346	\$228,617	\$166,947	\$180,882
Portfolio turnover rate	5.15%	92.40%	75.02%	39.64%	64.69%	53.02%

^aThe amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^bBased on average daily shares outstanding.

^cTotal return is not annualized for periods less than one year.

^dRatios are annualized for periods less than one year.

^eBenefit of waiver and payments by affiliates rounds to less than 0.01%.

^fBenefit of expense reduction rounds to less than 0.01%.

Schedule of Investments (unaudited), April 30, 2024

Franklin Managed Income Fund

	Country	Shares	Value
Common Stocks 29.1%			
Aerospace & Defense 1.5%			
Lockheed Martin Corp.	United States	75,000	\$34,869,750
RTX Corp.	United States	155,000	15,735,600
			50,605,350
Banks 2.8%			
Bank of America Corp.	United States	750,000	27,757,500
Fifth Third Bancorp.	United States	300,000	10,938,000
JPMorgan Chase & Co.	United States	185,000	35,471,900
Truist Financial Corp.	United States	350,000	13,142,500
US Bancorp.	United States	250,000	10,157,500
			97,467,400
Beverages 0.7%			
Coca-Cola Co. (The).	United States	125,000	7,721,250
PepsiCo, Inc.	United States	100,000	17,591,000
			25,312,250
Biotechnology 0.9%			
AbbVie, Inc.	United States	200,000	32,528,000
Building Products 0.4%			
Johnson Controls International plc.	United States	200,000	13,014,000
Capital Markets 1.6%			
Charles Schwab Corp. (The).	United States	199,900	14,782,605
Morgan Stanley.	United States	450,000	40,878,000
			55,660,605
Chemicals 1.1%			
Air Products and Chemicals, Inc.	United States	43,000	10,162,620
Albemarle Corp.	United States	100,000	12,031,000
LyondellBasell Industries NV, A	United States	150,000	14,995,500
			37,189,120
Consumer Staples Distribution & Retail 0.5%			
Target Corp.	United States	100,000	16,098,000
Diversified Telecommunication Services 0.1%			
Verizon Communications, Inc.	United States	100,000	3,949,000
Electric Utilities 3.5%			
Duke Energy Corp.	United States	400,000	39,304,000
Edison International	United States	350,000	24,871,000
NextEra Energy, Inc.	United States	275,000	18,416,750
Southern Co. (The).	United States	500,000	36,750,000
			119,341,750
Ground Transportation 0.6%			
Union Pacific Corp.	United States	85,000	20,158,600
Health Care Providers & Services 0.9%			
CVS Health Corp.	United States	100,000	6,771,000
UnitedHealth Group, Inc.	United States	50,000	24,185,000
			30,956,000
Hotels, Restaurants & Leisure 0.3%			
Starbucks Corp.	United States	135,000	11,946,150
Household Products 0.9%			
Procter & Gamble Co. (The)	United States	200,000	32,640,000

Franklin Managed Income Fund (continued)

	Country	Shares	Value
Common Stocks (continued)			
Industrial Conglomerates 0.6%			
Honeywell International, Inc.	United States	100,000	\$19,273,000
IT Services 0.5%			
International Business Machines Corp.	United States	100,000	16,620,000
Media 0.1%			
Comcast Corp., A	United States	100,000	3,811,000
Metals & Mining 0.8%			
Rio Tinto plc, ADR.	Australia	400,000	27,132,000
Multi-Utilities 1.0%			
DTE Energy Co.	United States	150,000	16,548,000
Sempra.	United States	250,000	17,907,500
			34,455,500
Oil, Gas & Consumable Fuels 3.1%			
Chevron Corp.	United States	450,000	72,571,500
Exxon Mobil Corp..	United States	300,000	35,481,000
			108,052,500
Pharmaceuticals 2.2%			
AstraZeneca plc, ADR.	United Kingdom	350,000	26,558,000
Johnson & Johnson	United States	200,000	28,918,000
Merck & Co., Inc.	United States	150,000	19,383,000
			74,859,000
Semiconductors & Semiconductor Equipment 3.0%			
Analog Devices, Inc.	United States	200,000	40,122,000
Texas Instruments, Inc.	United States	350,000	61,747,000
			101,869,000
Specialty Retail 1.5%			
Home Depot, Inc. (The).	United States	150,000	50,133,000
Tobacco 0.5%			
Philip Morris International, Inc.	United States	200,000	18,988,000
Total Common Stocks (Cost \$775,824,107)			1,002,059,225
Management Investment Companies 0.1%			
Capital Markets 0.1%			
^a Western Asset Diversified Income Fund.	United States	250,000	3,517,500
Total Management Investment Companies (Cost \$3,305,401)			3,517,500
^bEquity-Linked Securities 7.9%			
Aerospace & Defense 1.4%			
^c BNP Paribas Issuance BV into Northrop Grumman Corp., 144A, 7.5%, 9/10/24	United States	54,000	23,834,296
^c Merrill Lynch International & Co. CV into RTX Corp., 144A, 7.5%, 10/02/24	United States	295,700	25,391,175
			49,225,471
Air Freight & Logistics 0.6%			
^c Merrill Lynch International & Co. CV into United Parcel Service, Inc., 144A, 8.5%, 10/02/24.	United States	143,650	21,518,946
Banks 0.5%			
^c BNP Paribas Issuance BV into Bank of America Corp., 144A, 8.5%, 2/26/25	United States	250,000	8,877,107

Franklin Managed Income Fund (continued)

	Country	Shares	Value
^bEquity-Linked Securities (continued)			
Banks (continued)			
^c Citigroup Global Markets Holdings, Inc. into Bank of America Corp., 144A, 8%, 8/16/24	United States	200,000	\$7,089,022
			15,966,129
Broadline Retail 0.4%			
^c Goldman Sachs International Bank into Amazon.com, Inc., 144A, 9%, 11/20/24	United States	98,000	12,869,897
Capital Markets 0.3%			
^c UBS AG into Charles Schwab Corp. (The), 144A, 10%, 7/17/24 . . .	United States	150,000	9,518,480
Communications Equipment 0.8%			
^c Mizuho Markets Cayman LP into Cisco Systems, Inc., 144A, 7.5%, 7/23/24	United States	600,000	28,750,674
Consumer Staples Distribution & Retail 0.6%			
^c Barclays Bank plc into Target Corp., 144A, 8.5%, 10/08/24	United States	135,000	19,327,732
Interactive Media & Services 0.3%			
^c JPMorgan Chase Bank NA into Alphabet, Inc., 144A, 8%, 3/28/25 .	United States	75,000	11,352,078
Media 0.7%			
^c Royal Bank of Canada into Comcast Corp., 144A, 8%, 7/12/24 . . .	United States	660,000	25,492,310
Oil, Gas & Consumable Fuels 0.4%			
^c Citigroup Global Markets Holdings, Inc. into Exxon Mobil Corp., 144A, 9%, 3/12/25	United States	115,000	12,690,679
Pharmaceuticals 0.7%			
^c National Bank of Canada into Bristol-Myers Squibb Co., 144A, 8%, 9/05/24	United States	530,000	24,255,563
Semiconductors & Semiconductor Equipment 0.4%			
^c Mizuho Markets Cayman LP into Microchip Technology, Inc., 144A, 10%, 11/12/24	United States	150,000	13,091,477
Software 0.8%			
^c Societe Generale SA into Workday, Inc., 144A, 9%, 11/13/24	United States	115,000	26,911,357
Total Equity-Linked Securities (Cost \$267,333,739)			270,970,793
Convertible Preferred Stocks 1.0%			
Chemicals 0.4%			
^d Albemarle Corp., 7.25%	United States	240,000	13,168,800
Electric Utilities 0.6%			
^e NextEra Energy, Inc., 6.926%	United States	500,000	20,375,000
Total Convertible Preferred Stocks (Cost \$34,220,190)			33,543,800
		Principal Amount^f	
Corporate Bonds 55.8%			
Aerospace & Defense 0.9%			
Boeing Co. (The),			
Senior Bond, 3.2%, 3/01/29	United States	15,000,000	13,119,128
Senior Note, 5.04%, 5/01/27	United States	5,000,000	4,853,527
Senior Note, 5.15%, 5/01/30	United States	15,000,000	14,192,875
			32,165,530
Automobiles 0.4%			
^e General Motors Co., Senior Bond, 5.6%, 10/15/32	United States	15,000,000	14,745,887

Franklin Managed Income Fund (continued)

	Country	Principal Amount ^f	Value
Corporate Bonds (continued)			
Banks 6.1%			
Bank of America Corp.,			
Senior Bond, 3.419% to 12/19/27, FRN thereafter, 12/20/28 . . .	United States	20,000,000	\$18,543,330
Senior Bond, 5.872% to 9/14/33, FRN thereafter, 9/15/34	United States	15,000,000	15,034,198
Barclays plc,			
Senior Bond, 4.337%, 1/10/28	United Kingdom	15,000,000	14,264,410
Senior Bond, 5.746% to 8/08/32, FRN thereafter, 8/09/33	United Kingdom	10,000,000	9,769,260
Senior Note, 7.385% to 11/01/27, FRN thereafter, 11/02/28	United Kingdom	15,000,000	15,670,779
Citigroup, Inc.,			
Senior Bond, 3.668% to 7/23/27, FRN thereafter, 7/24/28	United States	20,000,000	18,848,906
Senior Bond, 6.27% to 11/16/32, FRN thereafter, 11/17/33	United States	10,000,000	10,265,637
Fifth Third Bancorp, Senior Note, 6.339% to 7/26/28, FRN thereafter, 7/27/29	United States	10,000,000	10,117,004
JPMorgan Chase & Co.,			
^f Junior Sub. Bond, 6.875% to 5/31/29, FRN thereafter, Perpetual	United States	10,000,000	10,272,123
Senior Bond, 6.254% to 10/22/33, FRN thereafter, 10/23/34 . . .	United States	10,000,000	10,360,374
Senior Note, 5.04% to 1/22/27, FRN thereafter, 1/23/28	United States	5,000,000	4,930,411
PNC Financial Services Group, Inc. (The), Senior Bond, 6.037% to 10/27/32, FRN thereafter, 10/28/33	United States	10,000,000	10,082,586
Truist Bank, Sub. Bond, 2.636% to 9/16/24, FRN thereafter, 9/17/29	United States	10,000,000	9,632,897
Truist Financial Corp., Senior Bond, 5.122% to 1/25/33, FRN thereafter, 1/26/34	United States	10,000,000	9,322,003
US Bancorp,			
Senior Bond, 5.85% to 10/20/32, FRN thereafter, 10/21/33	United States	10,000,000	9,923,585
Senior Note, 4.548% to 7/21/27, FRN thereafter, 7/22/28	United States	10,000,000	9,676,049
Wells Fargo & Co., Senior Bond, 5.389% to 4/23/33, FRN thereafter, 4/24/34	United States	25,000,000	24,101,915
			210,815,467
Biotechnology 1.1%			
AbbVie, Inc.,			
Senior Bond, 4.55%, 3/15/35	United States	15,000,000	13,933,163
Senior Bond, 4.5%, 5/14/35	United States	10,000,000	9,235,006
Amgen, Inc., Senior Bond, 5.25%, 3/02/33	United States	15,000,000	14,679,378
			37,847,547
Broadline Retail 0.3%			
Amazon.com, Inc., Senior Bond, 3.6%, 4/13/32	United States	10,000,000	9,022,519
Building Products 0.6%			
Carrier Global Corp., Senior Bond, 5.9%, 3/15/34	United States	20,000,000	20,444,107
Capital Markets 2.9%			
Charles Schwab Corp. (The), Senior Bond, 5.853% to 5/18/33, FRN thereafter, 5/19/34	United States	10,000,000	9,961,909
Goldman Sachs Group, Inc. (The),			
Senior Bond, 2.65% to 10/20/31, FRN thereafter, 10/21/32	United States	15,000,000	12,151,362
Senior Bond, 6.561% to 10/23/33, FRN thereafter, 10/24/34	United States	10,000,000	10,529,840
JBS USA Holding Lux SARL / JBS USA Food Co. / JBS Lux Co. SARL,			
^c Senior Bond, 144A, 6.75%, 3/15/34	United States	15,000,000	15,312,810
Senior Note, 5.5%, 1/15/30	United States	10,000,000	9,660,134
Senior Note, 3.75%, 12/01/31	United States	5,000,000	4,226,901
Morgan Stanley,			
Senior Bond, 2.699% to 1/21/30, FRN thereafter, 1/22/31	United States	10,000,000	8,568,870
Senior Bond, 6.342% to 10/17/32, FRN thereafter, 10/18/33 . . .	United States	15,000,000	15,563,874
Senior Bond, 5.424% to 7/20/33, FRN thereafter, 7/21/34	United States	15,000,000	14,560,942
			100,536,642

Franklin Managed Income Fund (continued)

	Country	Principal Amount ¹	Value
Corporate Bonds (continued)			
Chemicals 1.7%			
Celanese US Holdings LLC, Senior Note, 6.33%, 7/15/29	United States	20,000,000	\$20,297,485
Dow Chemical Co. (The), Senior Bond, 6.3%, 3/15/33	United States	10,000,000	10,449,134
DuPont de Nemours, Inc., Senior Note, 4.493%, 11/15/25	United States	10,000,000	9,832,818
Huntsman International LLC, Senior Bond, 4.5%, 5/01/29	United States	20,000,000	18,670,223
			59,249,660
Consumer Finance 3.1%			
AerCap Ireland Capital DAC / AerCap Global Aviation Trust, Senior Bond, 3.3%, 1/30/32	Ireland	20,000,000	16,704,369
Capital One Financial Corp.,			
Senior Bond, 5.268% to 5/09/32, FRN thereafter, 5/10/33	United States	10,000,000	9,476,008
Senior Note, 6.312% to 6/07/28, FRN thereafter, 6/08/29	United States	10,000,000	10,090,956
Senior Note, 3.273% to 2/28/29, FRN thereafter, 3/01/30	United States	15,000,000	13,247,192
Ford Motor Credit Co. LLC,			
Senior Note, 7.35%, 11/04/27	United States	15,000,000	15,518,917
Senior Note, 3.625%, 6/17/31	United States	15,000,000	12,673,660
General Motors Financial Co., Inc.,			
Senior Bond, 3.6%, 6/21/30	United States	20,000,000	17,615,897
Senior Bond, 6.4%, 1/09/33	United States	10,000,000	10,195,132
			105,522,131
Consumer Staples Distribution & Retail 0.3%			
Target Corp., Senior Bond, 4.5%, 9/15/32	United States	10,000,000	9,480,885
Containers & Packaging 0.6%			
^c Mauser Packaging Solutions Holding Co., Senior Secured Note, 144A, 7.875%, 4/15/27	United States	20,000,000	20,400,000
Diversified REITs 0.5%			
^c VICI Properties LP / VICI Note Co., Inc., Senior Bond, 144A, 4.625%, 12/01/29	United States	20,000,000	18,567,718
Diversified Telecommunication Services 0.6%			
Verizon Communications, Inc., Senior Note, 2.355%, 3/15/32	United States	25,000,000	19,956,741
Electric Utilities 3.3%			
Edison International, Senior Note, 6.95%, 11/15/29	United States	20,000,000	21,008,974
^c NRG Energy, Inc., Senior Secured Bond, 144A, 7%, 3/15/33	United States	10,000,000	10,422,465
Pacific Gas and Electric Co.,			
Senior Bond, 4.55%, 7/01/30	United States	25,000,000	23,216,009
Senior Bond, 6.15%, 1/15/33	United States	10,000,000	10,016,657
Southern Co. (The), Senior Bond, 5.7%, 10/15/32	United States	15,000,000	15,038,040
^c Vistra Operations Co. LLC, Senior Secured Bond, 144A, 4.3%, 7/15/29	United States	36,000,000	33,259,171
			112,961,316
Electrical Equipment 0.6%			
^c Regal Rexnord Corp., Senior Note, 144A, 6.05%, 4/15/28	United States	20,000,000	19,968,590
Electronic Equipment, Instruments & Components 1.3%			
Flex Ltd.,			
Senior Bond, 4.875%, 5/12/30	United States	20,000,000	18,998,125
Senior Note, 6%, 1/15/28	United States	10,000,000	10,037,321
Jabil, Inc., Senior Bond, 3%, 1/15/31	United States	20,000,000	16,742,531
			45,777,977

Franklin Managed Income Fund (continued)

	Country	Principal Amount ¹	Value
Corporate Bonds (continued)			
Entertainment 0.8%			
Netflix, Inc., Senior Bond, 4.875%, 4/15/28	United States	10,000,000	\$9,820,661
Warnermedia Holdings, Inc., Senior Note, 4.279%, 3/15/32	United States	20,000,000	17,234,454
			27,055,115
Financial Services 0.5%			
Fiserv, Inc., Senior Bond, 3.5%, 7/01/29	United States	20,000,000	18,226,275
Food Products 0.5%			
Pilgrim's Pride Corp., Senior Note, 4.25%, 4/15/31	United States	21,000,000	18,593,537
Ground Transportation 1.0%			
°Ashtead Capital, Inc.,			
Senior Bond, 144A, 5.5%, 8/11/32	United Kingdom	15,000,000	14,388,687
Senior Bond, 144A, 5.95%, 10/15/33	United Kingdom	10,000,000	9,852,357
Union Pacific Corp., Senior Bond, 4.5%, 1/20/33	United States	10,000,000	9,456,344
			33,697,388
Health Care Equipment & Supplies 0.7%			
Edwards Lifesciences Corp., Senior Bond, 4.3%, 6/15/28	United States	9,700,000	9,313,015
GE HealthCare Technologies, Inc., Senior Note, 5.905%, 11/22/32	United States	15,000,000	15,317,702
			24,630,717
Health Care Providers & Services 5.4%			
Centene Corp., Senior Note, 4.625%, 12/15/29	United States	25,000,000	23,300,827
°CHS/Community Health Systems, Inc.,			
Senior Secured Note, 144A, 8%, 3/15/26	United States	9,875,000	9,836,503
Senior Secured Note, 144A, 5.625%, 3/15/27	United States	15,000,000	13,749,846
Senior Secured Note, 144A, 8%, 12/15/27	United States	10,000,000	9,797,888
Senior Secured Note, 144A, 10.875%, 1/15/32	United States	10,000,000	10,250,250
CVS Health Corp.,			
Senior Bond, 3.25%, 8/15/29	United States	15,000,000	13,455,268
Senior Bond, 3.75%, 4/01/30	United States	10,000,000	9,074,702
°DaVita, Inc.,			
Senior Bond, 144A, 3.75%, 2/15/31	United States	10,500,000	8,650,034
Senior Note, 144A, 4.625%, 6/01/30	United States	16,000,000	14,032,302
°Fresenius Medical Care US Finance III, Inc., Senior Bond, 144A, 3%,			
12/01/31	Germany	20,000,000	15,763,401
HCA, Inc.,			
Senior Bond, 4.125%, 6/15/29	United States	10,000,000	9,294,022
Senior Bond, 5.5%, 6/01/33	United States	15,000,000	14,577,235
Humana, Inc., Senior Bond, 5.875%, 3/01/33	United States	15,000,000	14,993,142
Tenet Healthcare Corp.,			
Senior Note, 6.125%, 10/01/28	United States	10,000,000	9,883,832
Senior Secured Note, 4.375%, 1/15/30	United States	10,000,000	9,089,329
			185,748,581
Health Care REITs 0.6%			
Healthpeak OP LLC, Senior Note, 5.25%, 12/15/32	United States	20,000,000	19,242,229
Hotels, Restaurants & Leisure 2.2%			
°Carnival Corp., Senior Note, 144A, 5.75%, 3/01/27	United States	20,000,000	19,532,827
Expedia Group, Inc.,			
Senior Bond, 3.8%, 2/15/28	United States	15,000,000	14,072,083
Senior Note, 5%, 2/15/26	United States	10,000,000	9,881,771

Franklin Managed Income Fund (continued)

	Country	Principal Amount ¹	Value
Corporate Bonds (continued)			
Hotels, Restaurants & Leisure (continued)			
Starbucks Corp., Senior Bond, 2.55%, 11/15/30	United States	10,000,000	\$8,454,173
^c Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp., Senior Note, 144A, 5.25%, 5/15/27	United States	25,000,000	24,177,182
			76,118,036
Household Durables 0.3%			
Toll Brothers Finance Corp., Senior Bond, 4.35%, 2/15/28	United States	10,000,000	9,564,376
Insurance 1.3%			
Brown & Brown, Inc., Senior Bond, 2.375%, 3/15/31	United States	31,000,000	25,009,826
^c Five Corners Funding Trust III, Senior Note, 144A, 5.791%, 2/15/33	United States	10,000,000	10,008,128
MetLife, Inc., Junior Sub. Bond, 6.4%, 12/15/36	United States	10,000,000	9,970,595
			44,988,549
Interactive Media & Services 0.3%			
Meta Platforms, Inc., Senior Note, 3.85%, 8/15/32	United States	10,000,000	9,084,422
Machinery 0.6%			
Ingersoll Rand, Inc., Senior Bond, 5.7%, 8/14/33	United States	20,000,000	19,874,526
Metals & Mining 2.3%			
^c Alcoa Nederland Holding BV, Senior Note, 144A, 4.125%, 3/31/29.	United States	15,000,000	13,725,988
ArcelorMittal SA,			
^e Senior Bond, 4.25%, 7/16/29	Luxembourg	7,700,000	7,237,203
Senior Note, 6.55%, 11/29/27	Luxembourg	25,000,000	25,648,740
Freeport-McMoRan, Inc., Senior Bond, 4.625%, 8/01/30	United States	20,000,000	18,853,932
^c Glencore Funding LLC, Senior Bond, 144A, 4.875%, 3/12/29.	Australia	15,000,000	14,497,742
			79,963,605
Multi-Utilities 0.8%			
Dominion Energy, Inc., A, Senior Note, 4.35%, 8/15/32	United States	15,000,000	13,677,083
Sempra, Senior Bond, 5.5%, 8/01/33	United States	15,000,000	14,577,366
			28,254,449
Oil, Gas & Consumable Fuels 2.5%			
BP Capital Markets America, Inc., Senior Bond, 3.633%, 4/06/30 . .	United States	10,000,000	9,224,165
^c Calumet Specialty Products Partners LP / Calumet Finance Corp.,			
Senior Note, 144A, 11%, 4/15/25	United States	13,186,000	13,207,004
Cheniere Corpus Christi Holdings LLC, Senior Secured Note, 3.7%,			
11/15/29	United States	10,000,000	9,086,910
Energy Transfer LP, Senior Bond, 5.75%, 2/15/33	United States	15,000,000	14,890,680
Occidental Petroleum Corp., Senior Note, 6.375%, 9/01/28	United States	10,000,000	10,230,442
Williams Cos., Inc. (The),			
Senior Bond, 4.65%, 8/15/32	United States	10,000,000	9,350,833
Senior Bond, 5.65%, 3/15/33	United States	20,000,000	19,846,974
			85,837,008
Passenger Airlines 1.0%			
^c Delta Air Lines, Inc. / SkyMiles IP Ltd., Senior Secured Note, 144A,			
4.75%, 10/20/28.	United States	25,000,000	24,208,728
^c Mileage Plus Holdings LLC / Mileage Plus Intellectual Property			
Assets Ltd., Senior Secured Note, 144A, 6.5%, 6/20/27	United States	9,750,000	9,775,190
			33,983,918
Personal Care Products 0.6%			
Haleon US Capital LLC, Senior Note, 3.625%, 3/24/32	United States	25,000,000	21,969,490

Franklin Managed Income Fund (continued)

	Country	Principal Amount ^a	Value
Corporate Bonds (continued)			
Pharmaceuticals 0.9%			
Royalty Pharma plc, Senior Bond, 2.15%, 9/02/31	United States	20,000,000	\$15,682,471
Viatis, Inc., Senior Note, 2.7%, 6/22/30	United States	20,000,000	16,545,150
			32,227,621
Semiconductors & Semiconductor Equipment 1.7%			
Broadcom, Inc.,			
Senior Bond, 4.3%, 11/15/32	United States	20,000,000	18,228,286
° Senior Bond, 144A, 3.469%, 4/15/34	United States	20,000,000	16,577,340
Microchip Technology, Inc., Senior Note, 4.25%, 9/01/25	United States	5,000,000	4,905,486
Micron Technology, Inc.,			
Senior Bond, 4.663%, 2/15/30	United States	15,000,000	14,288,238
Senior Bond, 5.875%, 2/09/33	United States	5,000,000	5,028,849
			59,028,199
Software 1.2%			
Oracle Corp.,			
Senior Bond, 6.25%, 11/09/32	United States	10,000,000	10,376,476
Senior Bond, 3.9%, 5/15/35	United States	20,000,000	16,891,478
Workday, Inc., Senior Note, 3.5%, 4/01/27	United States	15,000,000	14,242,806
			41,510,760
Specialized REITs 1.0%			
American Tower Corp.,			
Senior Bond, 3.8%, 8/15/29	United States	15,000,000	13,725,394
Senior Bond, 5.9%, 11/15/33	United States	10,000,000	10,074,313
Crown Castle, Inc., Senior Bond, 5.1%, 5/01/33	United States	10,000,000	9,448,710
			33,248,417
Specialty Retail 0.9%			
Lowe's Cos., Inc., Senior Bond, 5%, 4/15/33	United States	30,000,000	28,989,993
Technology Hardware, Storage & Peripherals 0.9%			
Apple, Inc., Senior Bond, 3.35%, 8/08/32	United States	10,000,000	8,886,245
HP, Inc.,			
° Senior Bond, 5.5%, 1/15/33	United States	15,000,000	14,777,693
Senior Note, 2.65%, 6/17/31	United States	10,000,000	8,243,155
			31,907,093
Tobacco 1.9%			
Altria Group, Inc., Senior Bond, 2.45%, 2/04/32	United States	15,000,000	11,847,037
BAT Capital Corp.,			
Senior Bond, 4.742%, 3/16/32	United Kingdom	15,000,000	14,015,603
Senior Bond, 7.75%, 10/19/32	United Kingdom	25,000,000	27,745,426
Philip Morris International, Inc., Senior Note, 5.125%, 2/15/30	United States	10,000,000	9,833,941
			63,442,007
Trading Companies & Distributors 0.7%			
°United Rentals North America, Inc., Senior Secured Note, 144A, 6%, 12/15/29	United States	22,500,000	22,291,943

Franklin Managed Income Fund (continued)

	Country	Principal Amount [†]	Value
Corporate Bonds (continued)			
Wireless Telecommunication Services 0.9%			
Sprint LLC, Senior Note, 7.625%, 2/15/25	United States	10,000,000	\$10,082,690
^c Sprint Spectrum Co. LLC / Sprint Spectrum Co. II LLC / Sprint Spectrum Co. III LLC, Senior Secured Note, 144A, 4.738%, 3/20/25	United States	1,875,000	1,864,144
T-Mobile USA, Inc., Senior Bond, 3.5%, 4/15/31	United States	20,000,000	17,616,984
			29,563,818
Total Corporate Bonds (Cost \$1,882,122,461)			1,916,504,789
U.S. Government and Agency Securities 4.8%			
U.S. Treasury Bonds, 4.125%, 8/15/53	United States	87,500,000	78,380,859
U.S. Treasury Notes, 4.125%, 8/31/30	United States	30,000,000	29,037,305
3.875%, 8/15/33	United States	60,000,000	56,339,063
Total U.S. Government and Agency Securities (Cost \$170,425,972)			163,757,227
Asset-Backed Securities 0.3%			
Passenger Airlines 0.3%			
United Airlines Pass-Through Trust, 2020-1, A, 5.875%, 10/15/27	United States	5,509,583	5,500,803
2020-1, B, 4.875%, 7/15/27	United States	6,048,000	5,908,888
			11,409,691
Total Asset-Backed Securities (Cost \$11,557,583)			11,409,691
Mortgage-Backed Securities 0.0%[†]			
Federal National Mortgage Association (FNMA) Fixed Rate 0.0%[†]			
FNMA, 30 Year, 4%, 8/01/49	United States	985,116	900,362
Total Mortgage-Backed Securities (Cost \$1,043,607)			900,362
Total Long Term Investments (Cost \$3,145,833,060)			3,402,663,387
Short Term Investments 0.6%			
	Country	Shares	Value
Money Market Funds 0.0%[†]			
^{a,g} Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	United States	1,124,444	1,124,444
Total Money Market Funds (Cost \$1,124,444)			1,124,444

Franklin Managed Income Fund (continued)

Short Term Investments (continued)

	Country	Shares	Value
^h Investments from Cash Collateral Received for Loaned Securities 0.6% Money Market Funds 0.6%			
^{a,g} Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	United States	20,535,000	\$20,535,000
Total Investments from Cash Collateral Received for Loaned Securities (Cost \$20,535,000)			20,535,000
Total Short Term Investments (Cost \$21,659,444)			21,659,444
Total Investments (Cost \$3,167,492,504) 99.6%			\$3,424,322,831
Other Assets, less Liabilities 0.4%			12,231,712
Net Assets 100.0%			\$3,436,554,543

*The principal amount is stated in U.S. dollars unless otherwise indicated.

†Rounds to less than 0.1% of net assets.

^aSee Note 3(f) regarding investments in affiliated management investment companies.

^bSee Note 1(d) regarding equity-linked securities.

^cSecurity was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At April 30, 2024, the aggregate value of these securities was \$665,089,031, representing 19.4% of net assets.

^dNon-income producing.

^eA portion or all of the security is on loan at April 30, 2024. See Note 1(e).

^fPerpetual security with no stated maturity date.

^gThe rate shown is the annualized seven-day effective yield at period end.

^hSee Note 1(e) regarding securities on loan.

At April 30, 2024, the Fund had the following futures contracts outstanding. See Note 1(c).

Futures Contracts

Description	Type	Number of Contracts	Notional Amount*	Expiration Date	Value/ Unrealized Appreciation (Depreciation)
Interest rate contracts					
U.S. Treasury 10 Year Notes	Long	1,000	\$107,437,500	6/18/24	\$(2,873,485)
U.S. Treasury Long Bonds	Long	375	42,679,688	6/18/24	(1,973,208)
U.S. Treasury Ultra Bonds	Long	750	89,671,875	6/18/24	(5,145,980)
Total Futures Contracts					\$(9,992,673)

*As of period end.

See Abbreviations on page 70.

Statements of Assets and Liabilities

April 30, 2024 (unaudited)

	Franklin Convertible Securities Fund	Franklin Equity Income Fund	Franklin Managed Income Fund
Assets:			
Investments in securities:			
Cost - Unaffiliated issuers	\$2,429,416,555	\$2,607,384,671	\$3,142,527,659
Cost - Non-controlled affiliates (Note 3f)	101,379,227	111,703,504	24,964,845
Value - Unaffiliated issuers (Includes securities loaned of \$—, \$31,940,176 and \$19,856,272, respectively)	\$2,494,115,192	\$3,717,180,484	\$3,399,145,887
Value - Non-controlled affiliates (Note 3f)	101,379,227	111,703,504	25,176,944
Cash	—	1,317,099	188,320
Foreign currency, at value (cost \$—, \$— and \$181,586, respectively)	—	—	180,629
Receivables:			
Investment securities sold	—	13,800,161	3,520,597
Capital shares sold	505,513	2,257,860	550,957
Dividends and interest	7,703,726	3,559,908	27,484,772
European Union tax reclaims (Note 1f)	—	503,170	1,087,432
Deposits with brokers for:			
Futures contracts	—	—	8,050,000
Total assets	2,603,703,658	3,850,322,186	3,465,385,538
Liabilities:			
Payables:			
Investment securities purchased	—	3,198,282	—
Capital shares redeemed	1,796,384	2,508,294	3,535,803
Management fees	992,867	1,433,858	1,559,599
Distribution fees	247,957	743,948	700,547
Transfer agent fees	955,999	850,302	643,862
Trustees' fees and expenses	1,831	89	913
Variation margin on futures contracts	—	—	1,582,036
Payable upon return of securities loaned (Note 1e)	—	32,895,000	20,535,000
Accrued expenses and other liabilities	252,133	255,896	273,235
Total liabilities	4,247,171	41,885,669	28,830,995
Net assets, at value	\$2,599,456,487	\$3,808,436,517	\$3,436,554,543
Net assets consist of:			
Paid-in capital	\$2,514,398,158	\$2,565,838,010	\$3,159,213,437
Total distributable earnings (losses)	85,058,329	1,242,598,507	277,341,106
Net assets, at value	\$2,599,456,487	\$3,808,436,517	\$3,436,554,543

Statements of Assets and Liabilities (continued)

April 30, 2024 (unaudited)

	Franklin Convertible Securities Fund	Franklin Equity Income Fund	Franklin Managed Income Fund
Class A:			
Net assets, at value	\$932,500,293	\$3,155,346,070	\$2,953,598,197
Shares outstanding	44,797,888	101,672,311	242,760,363
Net asset value per share ^{a,b}	\$20.82	\$31.03	\$12.17
Maximum offering price per share (net asset value per share + 94.50%) ^b	\$22.03	\$32.84	\$12.88
Class C:			
Net assets, at value	\$63,163,039	\$102,897,854	\$106,135,090
Shares outstanding	3,121,958	3,339,391	8,817,319
Net asset value and maximum offering price per share ^{a,b}	\$20.23	\$30.82	\$12.04
Class R:			
Net assets, at value	\$—	\$12,938,027	\$2,441,515
Shares outstanding	—	416,708	200,003
Net asset value and maximum offering price per share ^b	\$—	\$31.05	\$12.21
Class R6:			
Net assets, at value	\$91,848,874	\$173,214,071	\$180,666,975
Shares outstanding	4,368,325	5,567,885	14,807,034
Net asset value and maximum offering price per share ^b	\$21.03	\$31.12	\$12.20
Advisor Class:			
Net assets, at value	\$1,511,944,281	\$364,040,495	\$193,712,766
Shares outstanding	72,630,583	11,706,964	15,879,227
Net asset value and maximum offering price per share ^b	\$20.82	\$31.10	\$12.20

^aRedemption price is equal to net asset value less contingent deferred sales charges, if applicable.

^bNet asset value per share may not recalculate due to rounding.

Statements of Operations

for the six months ended April 30, 2024 (unaudited)

	Franklin Convertible Securities Fund	Franklin Equity Income Fund	Franklin Managed Income Fund
Investment income:			
Dividends: (net of foreign taxes of \$—, \$747,792 and \$—, respectively)			
Unaffiliated issuers	\$3,989,231	\$48,969,577	\$17,062,687
Non-controlled affiliates (Note 3f)	1,682,048	2,305,368	1,331,239
Interest:			
Unaffiliated issuers	16,048,303	—	64,615,642
Income from securities loaned:			
Unaffiliated entities (net of fees and rebates)	(1,786)	(162,623)	(55,810)
Non-controlled affiliates (Note 3f)	2,192	177,747	126,627
Other income (Note 1f)	—	11,326	21,051
Total investment income	21,719,988	51,301,395	83,101,436
Expenses:			
Management fees (Note 3a)	6,104,530	8,555,884	9,624,990
Distribution fees: (Note 3c)			
Class A	1,184,194	3,819,915	3,747,900
Class C	336,978	507,677	572,211
Class R	—	30,300	5,816
Transfer agent fees: (Note 3e)			
Class A	521,885	1,586,370	1,351,404
Class C	37,171	52,785	51,729
Class R	—	6,283	1,044
Class R6	17,124	24,441	22,112
Advisor Class	846,470	186,657	90,182
Custodian fees	7,948	11,063	9,571
Reports to shareholders fees	85,441	106,286	102,453
Registration and filing fees	68,041	100,109	85,616
Professional fees	34,208	27,361	32,394
Trustees' fees and expenses	16,243	22,414	21,324
Other	51,651	50,920	83,147
Total expenses	9,311,884	15,088,465	15,801,893
Expenses waived/paid by affiliates (Note 3f and 3g)	(121,292)	(165,622)	(75,219)
Net expenses	9,190,592	14,922,843	15,726,674
Net investment income	12,529,396	36,378,552	67,374,762
Realized and unrealized gains (losses):			
Net realized gain (loss) from:			
Investments:			
Unaffiliated issuers	21,284,590	141,521,258	53,601,358
Non-controlled affiliates (Note 3f)	—	—	10,679,735
Written options	—	—	1,484,450
Foreign currency transactions	—	21,594	13,497
Futures contracts	—	—	(7,398,880)
Net realized gain (loss)	21,284,590	141,542,852	58,380,160
Net change in unrealized appreciation (depreciation) on:			
Investments:			
Unaffiliated issuers	270,438,654	471,379,785	227,351,578
Non-controlled affiliates (Note 3f)	—	—	(7,365,284)
Translation of other assets and liabilities denominated in foreign currencies	—	3,212	(4,607)
Written options	—	—	(1,269,346)
Futures contracts	—	—	8,461,251
Net change in unrealized appreciation (depreciation)	270,438,654	471,382,997	227,173,592
Net realized and unrealized gain (loss)	291,723,244	612,925,849	285,553,752
Net increase (decrease) in net assets resulting from operations	\$304,252,640	\$649,304,401	\$352,928,514

Statements of Changes in Net Assets

	Franklin Convertible Securities Fund		Franklin Equity Income Fund	
	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31, 2023	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31, 2023
Increase (decrease) in net assets:				
Operations:				
Net investment income	\$12,529,396	\$30,156,380	\$36,378,552	\$70,585,096
Net realized gain (loss)	21,284,590	37,704,871	141,542,852	91,137,212
Net change in unrealized appreciation (depreciation)	270,438,654	(27,179,088)	471,382,997	(160,561,046)
Net increase (decrease) in net assets resulting from operations.	304,252,640	40,682,163	649,304,401	1,161,262
Distributions to shareholders:				
Class A.	(17,292,751)	(85,707,219)	(88,072,370)	(165,141,379)
Class C.	(1,035,935)	(7,332,304)	(2,578,728)	(8,470,387)
Class R.	—	—	(331,989)	(559,295)
Class R6.	(1,844,622)	(7,902,038)	(5,058,148)	(9,783,554)
Advisor Class	(30,066,800)	(149,752,591)	(10,902,780)	(22,227,978)
Total distributions to shareholders	(50,240,108)	(250,694,152)	(106,944,015)	(206,182,593)
Capital share transactions: (Note 2)				
Class A.	(59,971,749)	(92,071,577)	(70,134,227)	108,551,298
Class C.	(10,800,146)	(27,614,778)	(8,126,449)	(81,728,369)
Class R.	—	—	513,060	1,764,007
Class R6.	(6,740,596)	932,846	(824,450)	(1,256,644)
Advisor Class	(110,570,416)	(296,126,753)	(18,704,743)	(33,966,693)
Total capital share transactions	(188,082,907)	(414,880,262)	(97,276,809)	(6,636,401)
Net increase (decrease) in net assets	65,929,625	(624,892,251)	445,083,577	(211,657,732)
Net assets:				
Beginning of period	2,533,526,862	3,158,419,113	3,363,352,940	3,575,010,672
End of period	\$2,599,456,487	\$2,533,526,862	\$3,808,436,517	\$3,363,352,940

Statements of Changes in Net Assets (continued)

	Franklin Managed Income Fund	
	Six Months Ended April 30, 2024 (unaudited)	Year Ended October 31, 2023
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$67,374,762	\$140,025,866
Net realized gain (loss)	58,380,160	16,802,326
Net change in unrealized appreciation (depreciation)	227,173,592	(130,670,311)
Net increase (decrease) in net assets resulting from operations	352,928,514	26,157,881
Distributions to shareholders:		
Class A	(69,638,275)	(141,714,730)
Class C	(2,202,563)	(5,460,004)
Class R	(50,826)	(130,492)
Class R6	(4,560,604)	(8,975,610)
Advisor Class	(4,889,792)	(10,277,757)
Total distributions to shareholders	(81,342,060)	(166,558,593)
Capital share transactions: (Note 2)		
Class A	(122,749,517)	(137,547,804)
Class C	(18,456,438)	(49,558,512)
Class R	(116,334)	(492,842)
Class R6	(8,469,683)	13,436,915
Advisor Class	(13,408,994)	(3,231,489)
Total capital share transactions	(163,200,966)	(177,393,732)
Net increase (decrease) in net assets	108,385,488	(317,794,444)
Net assets:		
Beginning of period	3,328,169,055	3,645,963,499
End of period	\$3,436,554,543	\$3,328,169,055

Notes to Financial Statements (Unaudited)

1. Organization and Significant Accounting Policies

Franklin Investors Securities Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of eight separate funds, three of which are included in this report (Funds). The Funds follow the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and apply the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. The classes of shares offered within each of the Funds are indicated below. Class C shares automatically convert to Class A shares on a monthly basis, after they have been held for 8 years. Each class of shares may differ by its initial sales load, contingent deferred sales charges, voting rights on matters affecting a single class, its exchange privilege and fees due to differing arrangements for distribution and transfer agent fees. Franklin Convertible Securities Fund closed to new investors with limited exceptions on August 29, 2018.

Class A, Class C, Class R, Class R6 & Advisor Class

Franklin Managed Income Fund
Franklin Equity Income Fund

Class A, Class C, Class R6 & Advisor Class

Franklin Convertible Securities Fund

The following summarizes the Funds' significant accounting policies.

a. Financial Instrument Valuation

The Funds' investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Funds calculate the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Funds' investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Funds' administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Funds may utilize

independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities and derivative financial instruments listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Debt and certain preferred securities generally trade in the OTC market rather than on a securities exchange. The Funds' pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value.

Investments in open-end mutual funds are valued at the closing NAV.

The Funds have procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Funds primarily employ a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the

1. Organization and Significant Accounting Policies

(continued)

a. Financial Instrument Valuation (continued)

investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before 4 p.m. Eastern time. In addition, trading in certain foreign markets may not take place on every Funds' business day. Events can occur between the time at which trading in a foreign security is completed and 4 p.m. Eastern time that might call into question the reliability of the value of a portfolio security held by the Funds. As a result, differences may arise between the value of the Funds' portfolio securities as determined at the foreign market close and the latest indications of value at 4 p.m. Eastern time. In order to minimize the potential for these differences, an independent pricing service may be used to adjust the value of the Funds' portfolio securities to the latest indications of fair value at 4 p.m. Eastern time. At April 30, 2024, certain securities may have been fair valued using these procedures, in which case the securities were categorized as Level 2 within the fair value hierarchy (referred to as "market level fair value"). See the Fair Value Measurements note for more information.

When the last day of the reporting period is a non-business day, certain foreign markets may be open on those days that the Funds' NAV is not calculated, which could result in differences between the value of the Funds' portfolio securities on the last business day and the last calendar day of the reporting period. Any security valuation changes due to an open foreign market are adjusted and reflected by the Funds for financial reporting purposes.

b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Funds may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S.

dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Funds do not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments in the Statements of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

c. Derivative Financial Instruments

Certain or all Funds invested in derivative financial instruments in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which expose the Fund to gains or losses in excess of the amounts shown in the Statements of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statements of Operations.

1. Organization and Significant Accounting Policies

(continued)

c. Derivative Financial Instruments (continued)

Collateral requirements differ by type of derivative. Collateral or initial margin requirements are set by the broker or exchange clearing house for exchange traded and centrally cleared derivatives. Initial margin deposited is held at the exchange and can be in the form of cash and/or securities.

Certain or all Funds entered into exchange traded futures contracts primarily to manage and/or gain exposure to interest rate risk. A futures contract is an agreement between the Fund and a counterparty to buy or sell an asset at a specified price on a future date. Required initial margins are pledged by the Fund, and the daily change in fair value is accounted for as a variation margin payable or receivable in the Statements of Assets and Liabilities. At April 30, 2024, Franklin Convertible Securities Fund and Franklin Equity Income Fund had no futures contracts.

Certain or all Funds purchased or wrote exchange traded OTC option contracts primarily to manage and/or gain exposure to equity volatility risk. An option is a contract entitling the holder to purchase or sell a specific amount of shares or units of an asset or notional amount of a swap (swaption), at a specified price. When an option is purchased or written, an amount equal to the premium paid or received is recorded as an asset or liability, respectively. Upon exercise of an option, the acquisition cost or sales proceeds of the underlying investment is adjusted by any premium received or paid. Upon expiration of an option, any premium received or paid is recorded as a realized gain or loss. Upon closing an option other than through expiration or exercise, the difference between the premium received or paid and the cost to close the position is recorded as a realized gain or loss. At April 30, 2024, Franklin Convertible Securities Fund and Franklin Equity Income Fund had no options contracts.

See Note 7 regarding other derivative information.

d. Equity-Linked Securities

Certain or all Funds invest in equity-linked securities. Equity-linked securities are hybrid financial instruments that generally combine both debt and equity characteristics into a single note form. Income received from equity-linked securities is recorded as realized gains in the Statements of Operations and may be based on the performance of an underlying equity security, an equity index, or an option

position. The risks of investing in equity-linked securities include unfavorable price movements in the underlying security and the credit risk of the issuing financial institution. There may be no guarantee of a return of principal with equity-linked securities and the appreciation potential may be limited. Equity-linked securities may be more volatile and less liquid than other investments held by the Funds.

e. Securities Lending

Certain or all Funds participate in an agency based securities lending program to earn additional income. The Fund receives collateral in the form of cash and/or U.S. Government and Agency securities against the loaned securities in an amount equal to at least 102% of the fair value of the loaned securities. Collateral is maintained over the life of the loan in an amount not less than 100% of the fair value of loaned securities, as determined at the close of Fund business each day; any additional collateral required due to changes in security values is delivered to the Fund on the next business day. Any cash collateral received is deposited into a joint cash account with other funds and is used to invest in a money market fund managed by Franklin Advisers, Inc., an affiliate of the Funds. The Fund may receive income from the investment of cash collateral, in addition to lending fees and rebates paid by the borrower. Income from securities loaned, net of fees paid to the securities lending agent and/or third-party vendor, is reported separately in the Statements of Operations. The Fund bears the market risk with respect to any cash collateral investment, securities loaned, and the risk that the agent may default on its obligations to the Fund. If the borrower defaults on its obligation to return the securities loaned, the Fund has the right to repurchase the securities in the open market using the collateral received. The securities lending agent has agreed to indemnify the Fund in the event of default by a third party borrower. At April 30, 2024, Franklin Convertible Securities Fund had no securities on loan.

f. Income and Deferred Taxes

It is each Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. Each Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and excise taxes. As a result, no provision for U.S. federal income taxes is required.

1. Organization and Significant Accounting Policies

(continued)

f. Income and Deferred Taxes (continued)

The Funds may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which the Funds invest. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Funds invest. When a capital gain tax is determined to apply, certain or all Funds record an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

As a result of several court cases, in certain countries across the European Union, certain or all Funds filed additional tax reclaims for previously withheld taxes on dividends earned in those countries (EU reclaims). Income recognized, if any, for EU reclaims is reflected as other income in the Statements of Operations and any related receivable, if any, is reflected as European Union tax reclaims in the Statements of Assets and Liabilities. Any fees associated with these filings are reflected in other expenses in the Statements of Operations. When uncertainty exists as to the ultimate resolution of these proceedings, the likelihood of receipt of these EU reclaims, and the potential timing of payment, no amounts are reflected in the financial statements. For U.S. income tax purposes, EU reclaims received by the Funds, if any, reduce the amount of foreign taxes Fund shareholders can use as tax deductions or credits on their income tax returns.

Each Fund may recognize an income tax liability related to its uncertain tax positions under U.S. GAAP when the uncertain tax position has a less than 50% probability that it will be sustained upon examination by the tax authorities based on its technical merits. As of April 30, 2024, each Fund has determined that no tax liability is required in its financial statements related to uncertain tax positions for any open tax years (or expected to be taken in future tax years). Open tax years are those that remain subject to examination and are based on the statute of limitations in each jurisdiction in which the Fund invests.

g. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income

(including interest income from payment-in-kind securities, if any) and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Paydown gains and losses are recorded as an adjustment to interest income on the Statements of Operations. Facility fees are recognized as income over the expected term of the loan. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Funds. Distributions to shareholders are recorded on the ex-dividend date. The Franklin Managed Income Fund employs a managed distribution policy. Under this policy, the fund will distribute level monthly distributions in any given year regardless of the performance of the fund; however, the twelfth monthly payment may be greater than the initially anticipated amount if additional income or capital gains are required to be distributed. These distributions may include income and capital gains generated by the Fund, as well as a possible return of capital component, if necessary, to meet the annual distribution rate. The annual payout rate may be adjusted higher or lower from year to year in response to market conditions. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

Realized and unrealized gains and losses and net investment income, excluding class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions by class are generally due to differences in class specific expenses.

1. Organization and Significant Accounting Policies
(continued)**h. Accounting Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

i. Guarantees and Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Funds, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

2. Shares of Beneficial Interest

At April 30, 2024, there were an unlimited number of shares authorized (without par value). Transactions in the Funds' shares were as follows:

	Franklin Convertible Securities Fund		Franklin Equity Income Fund	
	Shares	Amount	Shares	Amount
Class A Shares:				
Six Months ended April 30, 2024				
Shares sold ^a	957,203	\$19,770,261	4,741,803	\$140,675,432
Shares issued in reinvestment of distributions	790,129	16,262,200	2,951,040	86,311,823
Shares redeemed	(4,672,046)	(96,004,210)	(10,008,296)	(297,121,482)
Net increase (decrease)	(2,924,714)	\$(59,971,749)	(2,315,453)	\$(70,134,227)
Year ended October 31, 2023				
Shares sold ^a	3,067,149	\$61,111,881	14,572,533	\$415,416,374
Shares issued in reinvestment of distributions	4,151,284	80,675,938	5,744,799	161,763,879
Shares redeemed	(11,730,426)	(233,859,396)	(16,538,560)	(468,628,955)
Net increase (decrease)	(4,511,993)	\$(92,071,577)	3,778,772	\$108,551,298
Class C Shares:				
Six Months ended April 30, 2024				
Shares sold	78,664	\$1,598,953	224,320	\$6,660,354
Shares issued in reinvestment of distributions	51,128	1,019,709	88,051	2,549,963
Shares redeemed ^a	(670,754)	(13,418,808)	(590,683)	(17,336,766)
Net increase (decrease)	(540,962)	\$(10,800,146)	(278,312)	\$(8,126,449)
Year ended October 31, 2023				
Shares sold	126,487	\$2,434,972	1,977,276	\$55,778,901
Shares issued in reinvestment of distributions	376,284	7,098,094	301,742	8,415,691
Shares redeemed ^a	(1,908,009)	(37,147,844)	(5,118,778)	(145,922,961)
Net increase (decrease)	(1,405,238)	\$(27,614,778)	(2,839,760)	\$(81,728,369)

2. Shares of Beneficial Interest (continued)

	Franklin Convertible Securities Fund		Franklin Equity Income Fund	
	Shares	Amount	Shares	Amount
Class R Shares:				
Six Months ended April 30, 2024				
Shares sold	—	\$—	36,452	\$1,096,334
Shares issued in reinvestment of distributions	—	—	11,120	325,222
Shares redeemed	—	—	(30,203)	(908,496)
Net increase (decrease)	—	\$—	17,369	\$513,060
Year ended October 31, 2023				
Shares sold	—	\$—	104,140	\$2,955,808
Shares issued in reinvestment of distributions	—	—	19,750	556,678
Shares redeemed	—	—	(62,252)	(1,748,479)
Net increase (decrease)	—	\$—	61,638	\$1,764,007
Class R6 Shares:				
Six Months ended April 30, 2024				
Shares sold	357,559	\$7,444,658	615,011	\$18,325,288
Shares issued in reinvestment of distributions	82,739	1,721,773	134,821	3,955,943
Shares redeemed	(766,635)	(15,907,027)	(773,511)	(23,105,681)
Net increase (decrease)	(326,337)	\$(6,740,596)	(23,679)	\$(824,450)
Year ended October 31, 2023				
Shares sold	1,180,680	\$23,626,407	1,347,516	\$38,294,748
Shares issued in reinvestment of distributions	398,310	7,823,257	269,828	7,613,373
Shares redeemed	(1,512,286)	(30,516,818)	(1,655,326)	(47,164,765)
Net increase (decrease)	66,704	\$932,846	(37,982)	\$(1,256,644)
Advisor Class Shares:				
Six Months ended April 30, 2024				
Shares sold	6,095,770	\$125,212,673	1,303,032	\$38,767,545
Shares issued in reinvestment of distributions	1,218,294	25,098,585	358,245	10,501,432
Shares redeemed	(12,723,701)	(260,881,674)	(2,271,144)	(67,973,720)
Net increase (decrease)	(5,409,637)	\$(110,570,416)	(609,867)	\$(18,704,743)
Year ended October 31, 2023				
Shares sold	14,950,339	\$299,431,946	3,069,278	\$87,746,193
Shares issued in reinvestment of distributions	6,590,350	128,160,676	760,467	21,448,966
Shares redeemed	(36,239,243)	(723,719,375)	(4,994,390)	(143,161,852)
Net increase (decrease)	(14,698,554)	\$(296,126,753)	(1,164,645)	\$(33,966,693)

2. Shares of Beneficial Interest (continued)

	Franklin Managed Income Fund	
	Shares	Amount
Class A Shares:		
Six Months ended April 30, 2024		
Shares sold ^a	8,429,646	\$102,474,838
Shares issued in reinvestment of distributions	5,549,072	67,783,006
Shares redeemed	(24,090,050)	(293,007,361)
Net increase (decrease)	(10,111,332)	\$(122,749,517)
Year ended October 31, 2023		
Shares sold ^a	22,216,418	\$268,709,132
Shares issued in reinvestment of distributions	11,442,420	137,792,939
Shares redeemed	(45,191,799)	(544,049,875)
Net increase (decrease)	(11,532,961)	\$(137,547,804)
Class C Shares:		
Six Months ended April 30, 2024		
Shares sold	434,496	\$5,261,766
Shares issued in reinvestment of distributions	178,551	2,157,662
Shares redeemed ^a	(2,147,284)	(25,875,866)
Net increase (decrease)	(1,534,237)	\$(18,456,438)
Year ended October 31, 2023		
Shares sold	1,680,185	\$20,022,005
Shares issued in reinvestment of distributions	448,299	5,349,424
Shares redeemed ^a	(6,259,845)	(74,929,941)
Net increase (decrease)	(4,131,361)	\$(49,558,512)
Class R Shares:		
Six Months ended April 30, 2024		
Shares sold	21,551	\$265,436
Shares issued in reinvestment of distributions	4,085	50,070
Shares redeemed	(36,747)	(431,840)
Net increase (decrease)	(11,111)	\$(116,334)
Year ended October 31, 2023		
Shares sold	81,913	\$983,960
Shares issued in reinvestment of distributions	10,534	127,413
Shares redeemed	(134,180)	(1,604,215)
Net increase (decrease)	(41,733)	\$(492,842)

2. Shares of Beneficial Interest (continued)

	Franklin Managed Income Fund	
	Shares	Amount
Class R6 Shares:		
Six Months ended April 30, 2024		
Shares sold	1,312,246	\$16,095,975
Shares issued in reinvestment of distributions	370,958	4,545,402
Shares redeemed	(2,383,922)	(29,111,060)
Net increase (decrease)	(700,718)	\$(8,469,683)
Year ended October 31, 2023		
Shares sold	3,850,218	\$46,700,145
Shares issued in reinvestment of distributions	740,366	8,937,577
Shares redeemed	(3,485,728)	(42,200,807)
Net increase (decrease)	1,104,856	\$13,436,915
Advisor Class Shares:		
Six Months ended April 30, 2024		
Shares sold	1,364,882	\$16,669,523
Shares issued in reinvestment of distributions	357,086	4,373,697
Shares redeemed	(2,826,762)	(34,452,214)
Net increase (decrease)	(1,104,794)	\$(13,408,994)
Year ended October 31, 2023		
Shares sold	5,202,026	\$63,238,039
Shares issued in reinvestment of distributions	760,551	9,185,505
Shares redeemed	(6,264,884)	(75,655,033)
Net increase (decrease)	(302,307)	\$(3,231,489)

^aMay include a portion of Class C shares that were automatically converted to Class A.

3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Trust are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Advisers, Inc. (Advisers)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Distributors, LLC (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

3. Transactions with Affiliates (continued)

a. Management Fees

Franklin Managed Income Fund pays an investment management fee, calculated daily and paid monthly, to Advisers based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.620%	Up to and including \$250 million
0.595%	Over \$250 million, up to and including \$500 million
0.570%	Over \$500 million, up to and including \$1 billion
0.545%	Over \$1 billion, up to and including \$2.5 billion
0.520%	Over \$2.5 billion, up to and including \$5 billion
0.495%	Over \$5 billion, up to and including \$10 billion
0.470%	Over \$10 billion, up to and including \$15 billion
0.445%	Over \$15 billion, up to and including \$20 billion
0.420%	In excess of \$20 billion

Franklin Convertible Securities Fund and Franklin Equity Income Fund pay an investment management fee, calculated daily and paid monthly, to Advisers based on the month-end net assets of each of the Funds as follows:

Annualized Fee Rate	Net Assets
0.625%	Up to and including \$100 million
0.500%	Over \$100 million, up to and including \$250 million
0.450%	Over \$250 million, up to and including \$7.5 billion
0.440%	Over \$7.5 billion, up to and including \$10 billion
0.430%	Over \$10 billion, up to and including \$12.5 billion
0.420%	Over \$12.5 billion, up to and including \$15 billion
0.400%	Over \$15 billion, up to and including \$17.5 billion
0.380%	Over \$17.5 billion, up to and including \$20 billion
0.360%	Over \$20 billion, up to and including \$35 billion
0.355%	Over \$35 billion, up to and including \$50 billion
0.350%	In excess of \$50 billion

For the period ended April 30, 2024, each Fund's annualized gross effective investment management fee rate based on average daily net assets was as follows:

	Franklin Convertible Securities Fund	Franklin Equity Income Fund	Franklin Managed Income Fund
Gross effective investment management fee rate.	0.462%	0.463%	0.550%

b. Administrative Fees

Under an agreement with Advisers, FT Services provides administrative services to the Funds. The fee is paid by Advisers based on each of the Fund's average daily net assets, and is not an additional expense of the Funds.

3. Transactions with Affiliates (continued)

c. Distribution Fees

The Board has adopted distribution plans for each share class, with the exception of Class R6 and Advisor Class shares, pursuant to Rule 12b-1 under the 1940 Act. Under the Funds' Class A reimbursement distribution plans, the Funds reimburse Distributors for costs incurred in connection with the servicing, sale and distribution of each Fund's shares up to the maximum annual plan rate for each class. Under the Class A reimbursement distribution plans, costs exceeding the maximum for the current plan year cannot be reimbursed in subsequent periods. In addition, under the Funds' Class C and R compensation distribution plans, the Funds pay Distributors for costs incurred in connection with the servicing, sale and distribution of each Fund's shares up to the maximum annual plan rate for each class. The plan year, for purposes of monitoring compliance with the maximum annual plan rates, is February 1 through January 31 for each Fund.

The maximum annual plan rates, based on the average daily net assets, for each class, are as follows:

	Franklin Convertible Securities Fund	Franklin Equity Income Fund	Franklin Managed Income Fund
Class A	0.25%	0.25%	0.35%
Class C	1.00%	1.00%	1.00%
Class R	—%	0.50%	0.50%

For Franklin Managed Income Fund, the Board has set the current rate at 0.25% per year for Class A shares until further notice and approval by the Board.

d. Sales Charges/Underwriting Agreements

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Funds. These charges are deducted from the proceeds of sales of fund shares prior to investment or from redemption proceeds prior to remittance, as applicable. Distributors has advised the Funds of the following commission transactions related to the sales and redemptions of the Funds' shares for the period:

	Franklin Convertible Securities Fund	Franklin Equity Income Fund	Franklin Managed Income Fund
Sales charges retained net of commissions paid to unaffiliated brokers/dealers	\$3,397	\$174,228	\$105,120
CDSC retained	\$1,306	\$6,573	\$9,091

e. Transfer Agent Fees

Each class of shares pays transfer agent fees, calculated monthly and paid monthly, to Investor Services for its performance of shareholder servicing obligations. Effective October 1, 2023, the fees are based on a fixed margin earned by Investor Services and are allocated to the Funds based upon relative assets and relative transactions. Prior to October 1, 2023, the fees were based on an annualized asset based fee of 0.016% plus a transaction based fee. In addition, each class reimburses Investor Services for out of pocket expenses incurred and, except for Class R6, reimburses shareholder servicing fees paid to third parties. These fees paid to third parties are accrued and allocated daily based upon their relative proportion of such classes' aggregate net assets. Class R6 pays Investor Services transfer agent fees allocated specifically to that class based upon its relative assets and relative transactions.

3. Transactions with Affiliates (continued)

e. Transfer Agent Fees (continued)

For the period ended April 30, 2024, the Funds paid transfer agent fees as noted in the Statements of Operations of which the following amounts were retained by Investor Services:

	Franklin Convertible Securities Fund	Franklin Equity Income Fund	Franklin Managed Income Fund
Transfer agent fees	\$321,391	\$523,773	\$483,854

f. Investments in Affiliated Management Investment Companies

Certain or all Funds invest in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a “Controlled Affiliate” of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund’s outstanding shares or has the power to exercise control over management or policies of such fund. The Funds do not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Funds are waived on assets invested in the affiliated management investment companies, as noted in the Statements of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the period ended April 30, 2024, investments in affiliated management investment companies were as follows:

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
Franklin Convertible Securities Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	\$79,626,510	\$424,397,526	\$(402,644,809)	\$—	\$—	\$101,379,227	101,379,227	\$1,682,048
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	\$—	\$15,728,000	\$(15,728,000)	\$—	\$—	\$—	—	\$2,192
Total Affiliated Securities . . .	\$79,626,510	\$440,125,526	\$(418,372,809)	\$—	\$—	\$101,379,227		\$1,684,240
Franklin Equity Income Fund								
Non-Controlled Affiliates								
								Dividends
Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	\$114,853,407	\$382,007,261	\$(418,052,164)	\$—	\$—	\$78,808,504	78,808,504	\$2,305,368
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	\$—	\$60,984,000	\$(28,089,000)	\$—	\$—	\$32,895,000	32,895,000	\$177,747
Total Affiliated Securities . . .	\$114,853,407	\$442,991,261	\$(446,141,164)	\$—	\$—	\$111,703,504		\$2,483,115

3. Transactions with Affiliates (continued)

f. Investments in Affiliated Management Investment Companies (continued)

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
Franklin Managed Income Fund								
Non-Controlled Affiliates								
								Dividends
Franklin U.S. Low Volatility ETF	\$36,332,400	\$—	\$(39,221,536)	\$10,667,686	\$(7,778,550)	\$—	—	\$—
Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	17,699,568	281,067,103	(297,642,227)	—	—	1,124,444	1,124,444	938,112
Western Asset Diversified Income Fund	3,116,240	3,496,542	(3,520,597)	12,049	413,266	3,517,500	250,000	393,127
Total Non-Controlled Affiliates	\$57,148,208	\$284,563,645	\$(340,384,360)	\$10,679,735	\$(7,365,284)	\$4,641,944		\$1,331,239
Non-Controlled Affiliates								
								Income from securities loaned
Institutional Fiduciary Trust - Money Market Portfolio, 5.006%	\$—	\$54,383,000	\$(33,848,000)	\$—	\$—	\$20,535,000	20,535,000	\$126,627
Total Affiliated Securities . . .	\$57,148,208	\$338,946,645	\$(374,232,360)	\$10,679,735	\$(7,365,284)	\$25,176,944		\$1,457,866

g. Waiver and Expense Reimbursements

Advisers has contractually agreed in advance to waive or limit its respective fees and to assume as its own expense certain expenses otherwise payable by Franklin Managed Income Fund so that the operating expenses (excluding interest expense, distribution fees, and certain non-routine expenses or costs, including those relating to litigation, indemnification, reorganizations, and liquidations) for each class of the Fund does not exceed 0.68% based on the average net assets of each class until February 28, 2025. Total expenses waived or paid are not subject to recapture subsequent to the Fund's fiscal year end.

Transfer agent fees on Class R6 shares of the Funds have been capped so that transfer agent fees for that class do not exceed 0.03% based on the average net assets of the class until February 28, 2025.

4. Income Taxes

For tax purposes, capital losses may be carried over to offset future capital gains.

At October 31, 2023, the capital loss carryforwards were as follows:

	Franklin Convertible Securities Fund	Franklin Equity Income Fund	Franklin Managed Income Fund
Capital loss carryforwards not subject to expiration:			
Short term	\$—	\$—	\$32,004,979

4. Income Taxes (continued)

At April 30, 2024, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

	Franklin Convertible Securities Fund	Franklin Equity Income Fund	Franklin Managed Income Fund
Cost of investments	\$2,534,134,603	\$2,726,852,808	\$3,153,667,302
Unrealized appreciation.	\$218,891,904	\$1,156,934,466	\$311,620,806
Unrealized depreciation.	(157,532,088)	(54,903,286)	(50,957,950)
Net unrealized appreciation (depreciation).	\$61,359,816	\$1,102,031,180	\$260,662,856

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of wash sales, equity-linked securities, contingent securities and convertible securities.

5. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the period ended April 30, 2024, were as follows:

	Franklin Convertible Securities Fund	Franklin Equity Income Fund	Franklin Managed Income Fund
Purchases	\$373,006,069	\$518,728,704	\$176,546,550
Sales	\$620,844,151	\$649,308,029	\$335,388,362

6. Credit Risk

At April 30, 2024, Franklin Convertible Securities Fund and Franklin Managed Income Fund had 80.2% and 5.2% of its portfolio invested in high yield or other securities rated below investment grade and unrated securities. These securities may be more sensitive to economic conditions causing greater price volatility and are potentially subject to a greater risk of loss due to default than higher rated securities.

7. Other Derivative Information

At April 30, 2024, investments in derivative contracts are reflected in the Statements of Assets and Liabilities as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Franklin Managed Income Fund				
Interest rate contracts				
	Variation margin on futures contracts	\$—	Variation margin on futures contracts	\$9,992,673 ^a
Total		\$—		\$9,992,673

^aThis amount reflects the cumulative appreciation (depreciation) of futures contracts as reported in the Schedule of Investments. Only the variation margin receivable/payable at period end is separately reported within the Statement of Assets and Liabilities. Prior variation margin movements were recorded to cash upon receipt or payment.

7. Other Derivative Information (continued)

For the period ended April 30, 2024, the effect of derivative contracts in the Statements of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Location	Net Realized Gain (Loss) for the Period	Statement of Operations Location	Net Change in Unrealized Appreciation (Depreciation) for the Period
Franklin Managed Income Fund				
	Net realized gain (loss) from:		Net change in unrealized appreciation (depreciation) on:	
Interest rate contracts				
	Futures contracts	\$(7,398,880)	Futures contracts	\$8,461,251
Equity Contracts				
	Written options	1,484,450	Written options	(1,269,346)
Total		<u>\$(5,914,430)</u>		<u>\$7,191,905</u>

For the period ended April 30, 2024, the average month end notional amount of futures contracts and options represented \$229,201,451 and \$46,414, respectively.

See Note 1(c) regarding derivative financial instruments.

8. Credit Facility

The Funds, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matures on January 31, 2025. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Funds shall, in addition to interest charged on any borrowings made by the Funds and other costs incurred by the Funds, pay their share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon their relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statements of Operations. During the period ended April 30, 2024, the Funds did not use the Global Credit Facility.

9. Fair Value Measurements

The Funds follow a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Funds' own market assumptions (unobservable inputs). These inputs are used in determining the value of the Funds' financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Funds' own assumptions in determining the fair value of financial instruments)

9. Fair Value Measurements (continued)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

A summary of inputs used as of April 30, 2024, in valuing the Funds' assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Convertible Securities Fund				
Assets:				
Investments in Securities:				
Convertible Preferred Stocks	\$149,849,484	\$—	\$—	\$149,849,484
Convertible Bonds	—	2,344,265,708	—	2,344,265,708
Short Term Investments	101,379,227	—	—	101,379,227
Total Investments in Securities	\$251,228,711	\$2,344,265,708	\$—	\$2,595,494,419
Franklin Equity Income Fund				
Assets:				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	\$85,802,280	\$—	\$—	\$85,802,280
Air Freight & Logistics	62,679,000	—	—	62,679,000
Banks	282,947,250	—	—	282,947,250
Beverages	116,785,500	—	—	116,785,500
Capital Markets	327,758,985	—	—	327,758,985
Chemicals	44,159,360	34,846,967	—	79,006,327
Commercial Services & Supplies	9,585,000	—	—	9,585,000
Communications Equipment	62,483,400	—	—	62,483,400
Consumer Finance	38,029,875	—	—	38,029,875
Consumer Staples Distribution & Retail	91,670,513	—	—	91,670,513
Electric Utilities	167,392,600	—	—	167,392,600
Electrical Equipment	89,325,610	—	—	89,325,610
Electronic Equipment, Instruments & Components	52,064,640	—	—	52,064,640
Financial Services	31,972,100	—	—	31,972,100
Food Products	35,070,750	—	—	35,070,750
Ground Transportation	29,250,640	—	—	29,250,640
Health Care Equipment & Supplies	128,634,650	—	—	128,634,650
Health Care Providers & Services	144,643,450	—	—	144,643,450
Health Care REITs	49,043,050	—	—	49,043,050
Hotels, Restaurants & Leisure	43,276,840	—	—	43,276,840
Household Products	102,000,000	—	—	102,000,000
Industrial REITs	27,207,346	—	—	27,207,346
Insurance	8,214,150	—	—	8,214,150
Interactive Media & Services	30,114,300	—	—	30,114,300
Life Sciences Tools & Services	111,443,616	—	—	111,443,616
Machinery	50,092,400	—	—	50,092,400
Media	42,111,550	—	—	42,111,550
Oil, Gas & Consumable Fuels	377,592,580	—	—	377,592,580
Pharmaceuticals	223,516,850	—	—	223,516,850
Residential REITs	47,775,000	—	—	47,775,000
Semiconductors & Semiconductor Equipment	150,697,930	—	—	150,697,930
Software	88,440,625	—	—	88,440,625
Specialty Retail	74,703,250	—	—	74,703,250
Trading Companies & Distributors	26,385,605	—	—	26,385,605
Equity-Linked Securities	—	330,830,007	—	330,830,007
Convertible Preferred Stocks	98,632,815	—	—	98,632,815
Short Term Investments	111,703,504	—	—	111,703,504
Total Investments in Securities	\$3,463,207,014	\$365,676,974 ^a	\$—	\$3,828,883,988

9. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Managed Income Fund				
Assets:				
Investments in Securities:				
Common Stocks	\$1,002,059,225	\$—	\$—	\$1,002,059,225
Management Investment Companies	3,517,500	—	—	3,517,500
Equity-Linked Securities	—	270,970,793	—	270,970,793
Convertible Preferred Stocks	33,543,800	—	—	33,543,800
Corporate Bonds	—	1,916,504,789	—	1,916,504,789
U.S. Government and Agency Securities	—	163,757,227	—	163,757,227
Asset-Backed Securities	—	11,409,691	—	11,409,691
Mortgage-Backed Securities	—	900,362	—	900,362
Short Term Investments	21,659,444	—	—	21,659,444
Total Investments in Securities	\$1,060,779,969	\$2,363,542,862	\$—	\$3,424,322,831
Liabilities:				
Other Financial Instruments:				
Futures contracts	\$9,992,673	\$—	\$—	\$9,992,673
Total Other Financial Instruments	\$9,992,673	\$—	\$—	\$9,992,673

^aIncludes foreign securities valued at \$34,846,967, which were categorized as Level 2 as a result of the application of market level fair value procedures. See the Financial Instrument Valuation note for more information.

10. Subsequent Events

The Funds have evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure.

Abbreviations

Selected Portfolio

ADR	American Depositary Receipt
ETF	Exchange-Traded Fund
FNMA	Federal National Mortgage Association
FRN	Floating Rate Note
REIT	Real Estate Investment Trust

Shareholder Information

Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov and reflect the most recent six-month period ended June 30.

Quarterly Schedule of Investments

The Trust files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at sec.gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

Householding of Reports and Prospectuses

You will receive, or receive notice of the availability of, each Fund's financial reports every six months. In addition, you will receive an annual updated summary prospectus (detail prospectus available upon request). To reduce Fund expenses, we try to identify related shareholders in a household and send only one copy of the financial reports (to the extent received by mail) and summary prospectus. This process, called "householding," will continue indefinitely unless you instruct us otherwise. If you prefer not to have these documents househanded, please call us at (800) 632-2301. At any time you may view current prospectuses/summary prospectuses and financial reports on our website. If you choose, you may receive these documents through electronic delivery.

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Authorized for distribution only when accompanied or preceded by a summary prospectus and/or prospectus. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. A prospectus contains this and other information; please read it carefully before investing.

To help ensure we provide you with quality service, all calls to and from our service areas are monitored and/or recorded.



**FRANKLIN
TEMPLETON**

**Semiannual Report
Franklin Investors Securities Trust**

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