FRANKLIN TEMPLETON INVESTMENTS

INCOME FOR WHAT'S NEXT®

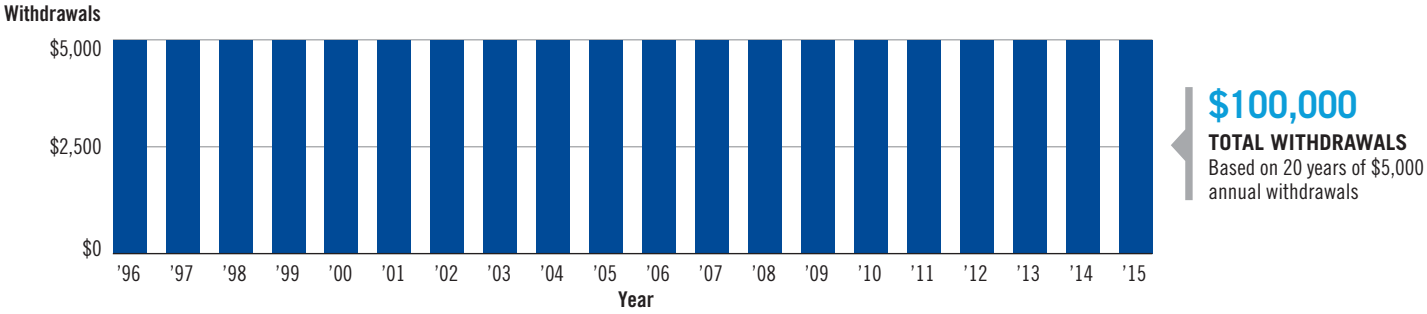
Franklin Adjustable U.S. Government Securities Fund FISAX

Translating savings into a regular "paycheck" in retirement can feel challenging. The challenge is making sure your distribution plan provides you with the retirement income that helps you achieve your goals and address your concerns while lasting as long as you do. Work with your financial advisor to determine your individual needs and write down a plan to address them. The hypothetical illustrations below show how this fund and the use of systematic withdrawals may fit as part of a well-diversified retirement income portfolio.

HYPOTHETICAL ILLUSTRATIONS: 20 YEARS OF SYSTEMATIC WITHDRAWALS[1]

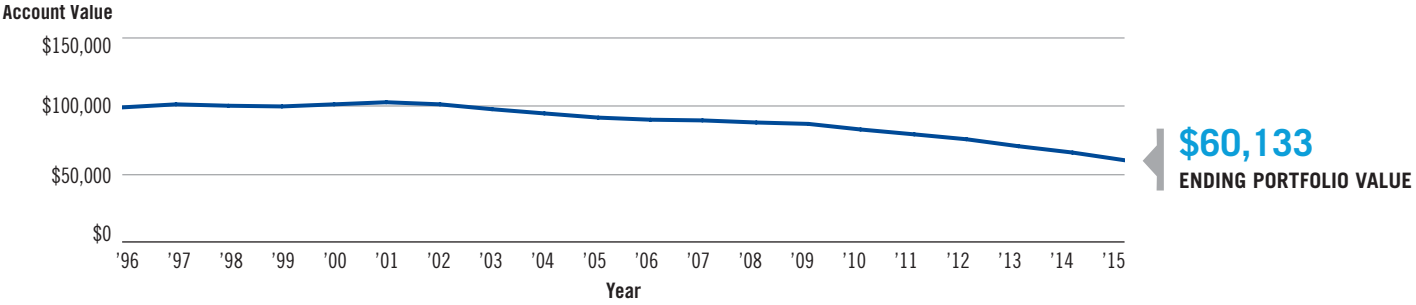
$100,000 Initial Investment (Class A with Sales Charge), $5,000 Annual Withdrawal (5% of Initial Investment), Reinvest Dividends and Capital Gains

Summary Illustration Based on Fixed Withdrawals (January 1, 1996–December 31, 2015)



It's important to note that the amounts withdrawn do not represent dividends or income, but, rather, the proceeds from the sale of shares. This illustration assumes sufficient shares are sold from the shareholder's account at the time of each withdrawal to provide for the annual withdrawal amount. Investors participating in a systematic withdrawal plan should annually review with their financial advisor the results being obtained and the value of remaining shares. Based on this annual review, individuals can increase or decrease the amount of withdrawals, as appropriate.

Hypothetical Account Value after $100,000 of Withdrawals



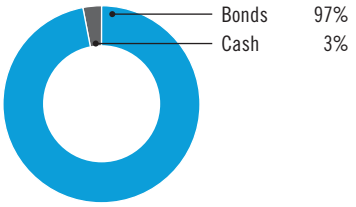
Please note that this hypothetical investment does not take into account federal, state or municipal taxes. If taxes were taken into account, the hypothetical values shown would have been lower. The results of such a withdrawal strategy could vary substantially depending on investment performance during the period the program is in effect. The rate or amount chosen for withdrawal determines the value remaining at the end of the period. In a period of declining market values, continued withdrawals could eventually exhaust the principal.

Although this hypothetical illustration represents a 20-year period, a retirement period could last more than 20–30 years. Investing in a Franklin Templeton fund does not guarantee one's retirement income needs will be met.

RetireMetrics Check

Standard Deviation (%)[2]	As of 3/31/16 3-Year	5-Year	10-Year
Franklin Adjustable U.S. Government Securities Fund	**0.48**	**0.53**	**0.68**
Barclays U.S. Government Index: 1–2 Year Component	0.41	0.37	0.88

Asset Allocation[3] (as of 3/31/16)



Performance data represents past performance, which does not guarantee future results. *Current performance may differ from figures shown. The fund's investment returns and principal values will change with market conditions, and you may have a gain or a loss when you sell your shares. Please call Franklin Templeton Investments at (800) DIAL BEN/342-5236 or visit* ***franklintempleton.com*** *for the most recent month-end performance.*

Not FDIC Insured | May Lose Value | No Bank Guarantee

Average Annual Total Returns–Class A
Periods ended March 31, 2016

	1-Year	3-Year	5-Year	10-Year	Since Inception (10/20/87)
With Maximum 2.25% Initial Sales Charge	-3.34%	-0.98%	-0.04%	1.77%	3.81%
Without Sales Charge	-1.10%	-0.24%	0.40%	2.00%	3.89%

Gross Expense Ratio–Class A	30-Day Standardized Yield–Class A[6] As of 3/31/16	Beta (3-Year)–Class A[7] As of 3/31/16
0.91%	0.46%	0.31

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To learn more about Franklin Adjustable U.S. Government Securities Fund, please call your financial advisor.

FUND DESCRIPTION AND RISKS

The fund seeks a high level of current income, while providing lower volatility of principal than a fund that invests in fixed-rate securities. The fund invests predominantly in adjustable-rate mortgage securities (ARMS) that are issued or guaranteed by the U.S. government, its agencies or instrumentalities. The fund's investments may include securities issued by government-sponsored entities, such as Fannie Mae and Freddie Mac.[8]

All investments involve risks, including possible loss of principal. Interest rate movements, unscheduled mortgage prepayments, and other risk factors will affect the fund's share price and yield. Bond prices generally move in the opposite direction of interest rates. As the prices of bonds in the fund adjust to a rise in interest rates, the fund's share price may decline. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. These and other risk considerations are discussed in the fund's prospectus.

Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. To obtain a summary prospectus and/or prospectus, which contains this and other information, talk to your financial advisor, call us at (800) DIAL BEN/342-5236 or visit ***franklintempleton.com****. Please carefully read a prospectus before you invest or send money.*

1. The investment illustration for the period ended 12/31/15 assumes reinvestment of all dividends and capital gains at net asset value.

2. Statistical measurement of the range of a fund's total returns. In general, higher standard deviation means greater volatility. Based on monthly returns over the last 3-, 5- and 10-year periods. Source: © 2016 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. Indexes are unmanaged and one cannot invest directly in an index.

3. Holdings are subject to change. For updated information, please call Franklin Templeton Investments at (800) DIAL BEN/342-5236 or visit **franklintempleton.com**.

4. This fund offers other share classes, subject to different fees and expenses that will affect their performance. The fund has a fee waiver associated with its investments in a Franklin Templeton money fund, contractually guaranteed through at least its current fiscal year end. Fund investment results reflect the fee waiver, to the extent applicable; without these reductions, the results would have been lower.

5. Securities owned by the fund, but not shares of the fund, are guaranteed by the U.S. government, its agencies or instrumentalities as to timely payment of principal and interest.

6. The 30-Day Standardized Yield reflects an estimated yield to maturity. It should be regarded as an estimate of the fund's rate of investment income, and it may not equal the fund's actual income distribution rate, which reflects the fund's past dividends paid to shareholders.

7. Beta is a measure of a fund's volatility relative to an appropriate index based on its investment goal. A beta greater than 1.00 indicates volatility greater than the market's. Beta calculated using Barclays U.S. Government (1–2 Year) Index as the benchmark. Based on monthly returns over the last three years.

8. Although U.S. government-sponsored entities may be chartered or sponsored by Acts of Congress, their securities are neither issued nor guaranteed by the U.S. government. Please see the fund's prospectus for a detailed discussion regarding various levels of credit support for government agency or instrumentality securities. The fund's yield and share price are not guaranteed and will vary with market conditions.

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