Fund Description
The fund seeks to maximize income, while maintaining prospects for capital appreciation, by investing in a diversified portfolio of stocks and bonds.

Fund Overview
Total Net Assets $61,088 million
[All Share Classes]
Fund Inception Date 8/31/1948
Dividend Frequency Monthly, on the 3rd business day
Number of Issuers 165

Share Class Information
Share Class CUSIP NASDAQ Symbol
Advisor 353 496 847 FRIAX
A 353 496 490 FKIQX
C 353 496 805 FCISX
R 353 496 722 FISRX
R6 353 496 631 FNCFX

Fund Management
Years with Firm Years of Experience
Edward D. Perks, CFA 27 27
Brendan Circle, CFA 5 9
Todd Brighton, CFA 19 19

Maximum Sales Charge
Advisor Class: None

Total Annual Operating Expenses
Share Class Advisor 0.47%

30-Day Standardized Yield
Share Class Advisor 4.10%

Asset Allocation (Market Value %)
- Fixed Income 46.73
- Equity 30.76
- Convertibles/Equity-Linked Notes 20.24
- Cash & Cash Equivalents 2.27

Total Returns % (as of 3/31/2020)
Share Class CUMULATIVE AVERAGE ANNUAL Since Inception Date
Advisor -16.48 -11.91 -1.24 1.24 5.07 9.80 8/31/1948

Calendar Year Total Returns %
Advisor 16.02 -5.22 8.62 16.61 -7.75 3.86 14.50 14.48 2.51 13.15

Performance Growth of a $10,000 Investment (from 08/31/1948-03/31/2020)
Franklin Income Fund - Advisor Class: $8,057,288

Advisor Class shares do not have sales charges or 12b-1 fees and are offered only to certain eligible investors as stated in the prospectus.

Top Ten Holdings (% of Total)
Issuer Name
GOVERNMENT OF THE UNITED STATES OF AMERICA 8.58
COMMUNITY HEALTH SYSTEMS INC 5.69
TENET HEALTHCARE CORP 3.09
T-MOBILE US INC 2.61
JPMORGAN CHASE & CO 2.49
BANK OF AMERICA CORP 2.35
INTEL CORP 2.05
THE SOUTHERN CO 1.95
BRISTOL-MYERS SQUIBB CO 1.80
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION 1.79

Fund Measures
Average Weighted Maturity 4.28 Years
Standard Deviation (3 Yrs) - Advisor Class 10.29%
Beta (3 Yrs, vs.Blended 50% MSCI USA High Dividend Yield Index + 25% Bloomberg Barclays High Yield Very Liquid Index + 25% Bloomberg Barclays US Aggregate Index) - Advisor Class 1.16
Market value figures reflect the trading value of the investments. Average Weighted Maturity reflects certain derivatives held in the portfolio (or their underlying reference assets). Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

What Are the Risks?
All investments involve risks, including possible loss of principal. The fund’s portfolio includes a substantial portion of higher-yielding, lower-rated corporate bonds and some floating rate loans, which are also higher-yielding and lower-rated. These investments have more credit risk than investment-grade securities and are subject to increased risk of default and potential loss of principal. The fund’s share price and yield will be affected by interest rate movements. Bond prices generally move in the opposite direction of interest rates. Thus, as the prices of bonds in the fund adjust to a rise in interest rates, the fund’s share price may decline. Changes in the financial strength of a bond issuer or in a bond’s credit rating may affect its value. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Foreign investing involves additional risks such as currency and market volatility, as well as political and social instability. These and other risk considerations are discussed in the fund's prospectus.

Glossary
Average Weighted Maturity: An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings.
Beta: A measure of the fund’s volatility relative to the market, as represented by the stated index. A beta greater than 1.00 indicates volatility greater than the market.
Standard Deviation: A measure of the degree to which a fund’s return varies from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that a fund’s performance will fluctuate from the average return.

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

Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change. All MSCI data is provided “as is.” The Fund described herein is not sponsored or endorsed by MSCI. In no event shall MSCI, its affiliates or any MSCI data provider have any liability of any kind in connection with the MSCI data or the Fund described herein. Copying or redistributing the MSCI data is strictly prohibited.

Benchmark: The 50% USA High Div Yield + 25% High Yield Very Liquid + 25% US Agg Index is composed of the Blended 50% MSCI USA High Dividend Yield Index + 25% Bloomberg Barclays High Yield Very Liquid Index + 25% Bloomberg Barclays US Aggregate Index.

Top Ten Holdings: The portfolio manager for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included.

Fund Measures: Source: FactSet. The portfolio characteristics listed are based on the fund’s underlying holdings, and do not necessarily reflect the fund’s characteristics. Average weighted maturity data pertains to the fixed income component of the fund.

Composition of Fund

<table>
<thead>
<tr>
<th>Sector (Market Value)—Equity</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology</td>
<td>8.17</td>
</tr>
<tr>
<td>Health Care</td>
<td>7.83</td>
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<tr>
<td>Financials</td>
<td>7.25</td>
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<tr>
<td>Utilities</td>
<td>4.98</td>
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<tr>
<td>Energy</td>
<td>4.46</td>
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<tr>
<td>Communication Services</td>
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<tr>
<td>Industrials</td>
<td>3.78</td>
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<tr>
<td>Consumer Discretionary</td>
<td>3.56</td>
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<tr>
<td>Consumer Staples</td>
<td>2.78</td>
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<tr>
<td>Others</td>
<td>4.09</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Sector (Market Value)—Fixed Income</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Yield Corporates</td>
<td>25.30</td>
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<tr>
<td>Investment Grade Corporates</td>
<td>9.22</td>
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<tr>
<td>U.S. Treasury</td>
<td>8.53</td>
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<tr>
<td>MBS</td>
<td>2.98</td>
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<tr>
<td>Floating-Rate Loans</td>
<td>0.63</td>
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<tr>
<td>International Bonds</td>
<td>0.07</td>
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