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 
$72,898 million
[All Share Classes]
Fund Inception Date 
8/31/1948
Dividend Frequency 
Monthly, by the 2nd business day
Number of Issuers 
173

Share Class Information
<table>
<thead>
<tr>
<th>Share Class</th>
<th>CUSIP</th>
<th>NASDAQ Symbol</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advisor</td>
<td>353 496 847</td>
<td>FRIAX</td>
</tr>
<tr>
<td>A</td>
<td>353 496 490</td>
<td>FKIQX</td>
</tr>
<tr>
<td>C</td>
<td>353 496 805</td>
<td>FCISX</td>
</tr>
<tr>
<td>R</td>
<td>353 496 722</td>
<td>FISRX</td>
</tr>
<tr>
<td>R6</td>
<td>353 496 631</td>
<td>FNCFX</td>
</tr>
</tbody>
</table>

Fund Management
Edward D. Perks, CFA: 28 years with firm, 28 years of experience
Brendan Circle, CFA: 6 years with firm, 10 years of experience
Todd Brighton, CFA: 20 years with firm, 20 years of experience

Maximum Sales Charge
Advisor Class: None
Total Annual Operating Expenses
Share Class | With Waiver | Without Waiver |
Advisor | 0.46% | 0.47%

30-Day Standardized Yield
Share Class | With Waiver | Without Waiver |
Advisor | 2.46% | 2.46%

Asset Allocation (Market Value %)
- Equity: 48.78%
- Fixed Income: 26.11%
- Convertibles/Equity-Linked Notes: 23.24%
- Cash & Cash Equivalents: 1.87%

Performance
Growth of a $10,000 Investment (from 08/31/1948-06/30/2021)

Total Returns % (as of 6/30/2021)
CUMULATIVE 
AVERAGE ANNUAL 
Since Inception Date
Share Class | YTD | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | Since Inception Date|
Advisor | 11.45 | 28.26 | 8.45 | 8.52 | 6.98 | 10.11 | 8/31/1948|

Calendar Year Total Returns %
Advisor | 3.72 | 16.02 | -5.22 | 8.62 | 16.61 | -7.75 | 3.86 | 14.50 | 14.48 | 2.51 |

Maximum Sales Charge
Advisor Class: None

Total Annual Operating Expenses
Share Class | With Waiver | Without Waiver |
Advisor | 0.46% | 0.47%

30-Day Standardized Yield
Share Class | With Waiver | Without Waiver |
Advisor | 2.46% | 2.46%

Asset Allocation (Market Value %)
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- Cash & Cash Equivalents: 1.87%

Top Ten Holdings (% of Total)
Issuer Name | Percentage |
COMMUNITY HEALTH SYSTEMS, INC. | 4.89%
MERCK & CO., INC. | 2.13%
ABBVIE, INC. | 2.09%
PFIZER INC. | 2.07%
GOVERNMENT OF THE UNITED STATES OF AMERICA | 2.05%
JPMORGAN CHASE & CO. | 2.04%
VERIZON COMMUNICATIONS INC. | 1.92%
EXXON MOBIL CORPORATION | 1.86%
PROCTER & GAMBLE COMPANY | 1.85%
SOUTHERN COMPANY | 1.83%

Fund Measures
Average Weighted Maturity | 3.59 Years
Standard Deviation (3 Yrs) - Advisor Class | 12.24%
Beta (3 Yrs, vs.Blended 50% MSCI USA High Dividend Yield Index + 25% Bloomberg Barclays High Yield) | 1.15
50% MSCI USA High Dividend Yield Index + 25% Bloomberg Barclays US Aggregate Index - Advisor Class | 0.81

The fund has a fee waiver associated with any investment it makes in a Franklin Templeton money fund and/or other Franklin Templeton funds, contractually guaranteed through January 31, 2022. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.

Franklin Income Fund - Advisor Class: $11,152,605

Franklin Templeton
Hybrid
June 30, 2021

Franklin Income Fund - Advisor Class:
$11,152,605

Franklin Income Fund
Hybrid
June 30, 2021
Composition of Fund

<table>
<thead>
<tr>
<th>Sector (Market Value)—Equity</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Care</td>
<td>12.73</td>
</tr>
<tr>
<td>Utilities</td>
<td>11.62</td>
</tr>
<tr>
<td>Financials</td>
<td>9.27</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>7.97</td>
</tr>
<tr>
<td>Energy</td>
<td>7.80</td>
</tr>
<tr>
<td>Information Technology</td>
<td>7.77</td>
</tr>
<tr>
<td>Communication Services</td>
<td>4.43</td>
</tr>
<tr>
<td>Industrials</td>
<td>3.97</td>
</tr>
<tr>
<td>Materials</td>
<td>3.57</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>2.90</td>
</tr>
</tbody>
</table>

Sector (Market Value)—Fixed Income

<table>
<thead>
<tr>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Yield Corporates</td>
</tr>
<tr>
<td>Investment Grade Corporates</td>
</tr>
<tr>
<td>U.S. Treasury</td>
</tr>
<tr>
<td>Mortgage-Backed Securities</td>
</tr>
<tr>
<td>Floating-Rate Loans</td>
</tr>
</tbody>
</table>

Portfolio Data Disclosures

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 professional, 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.

The Bloomberg Barclays US High Dividend Yield Index is designed to reflect the performance of mid- and large-cap equities (excluding REITs) with higher dividend income, which is sustainable and persistent, than average dividend yields of securities in the MSCI USA Index, its parent index.

The Bloomberg Barclays US High Yield Very Liquid Index (VLI) is a component of the US Corporate High Yield Index designed to track a more liquid component of the USD-denominated, high yield, fixed-rate corporate bond market.

Indices are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

Fund Management: CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

Performance: The fund offers other share classes subject to different fees and expenses, which will affect their performance.

Advisor: Effective 12/31/96, the fund began offering Advisor Class Shares. For periods prior to the fund's Advisor Class inception date, a restated figure is used based on the fund's oldest share class, Class A1 performance, excluding the effect of Class A1's maximum initial sales charge but reflecting the effect of the Class A1 Rule 12b-1 fees; and for periods after the fund's Advisor Class inception date, actual Advisor Class performance is used, reflecting all charges and fees applicable to that class.

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.

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

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: Percentage may not equal 100% due to rounding.

Franklin Distributors, LLC. Member FINRA/SIPC.