



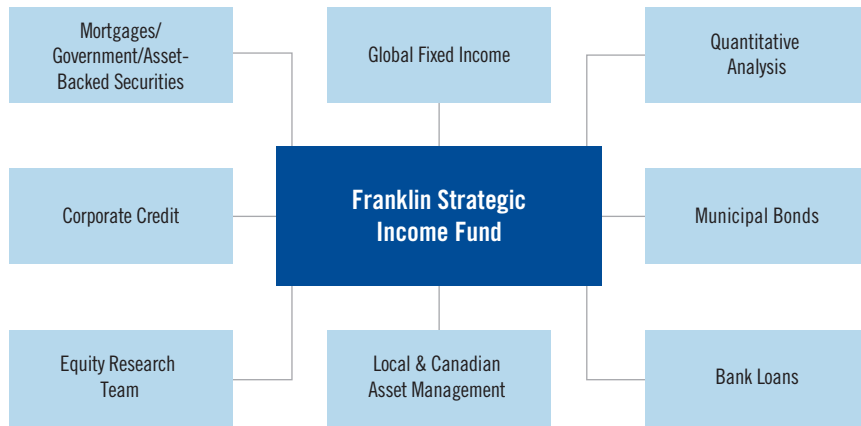
Franklin Strategic Income Fund

Fixed Income

Flexible Mandate, Diversified Income, Backed by a Global Platform
A Multisector Approach to Income

ACCESS THE BEST IDEAS FROM MULTIPLE SECTOR TEAMS

The Fund leverages a global platform with access to over 170 dedicated fixed income investment professionals located around the world¹



1. As of September 30, 2015. Investment professionals include portfolio managers, analysts and traders.

DIVERSIFICATION CAN HELP REDUCE THE VOLATILITY OF YOUR PORTFOLIO

5-Year Correlation as of September 30, 2015²

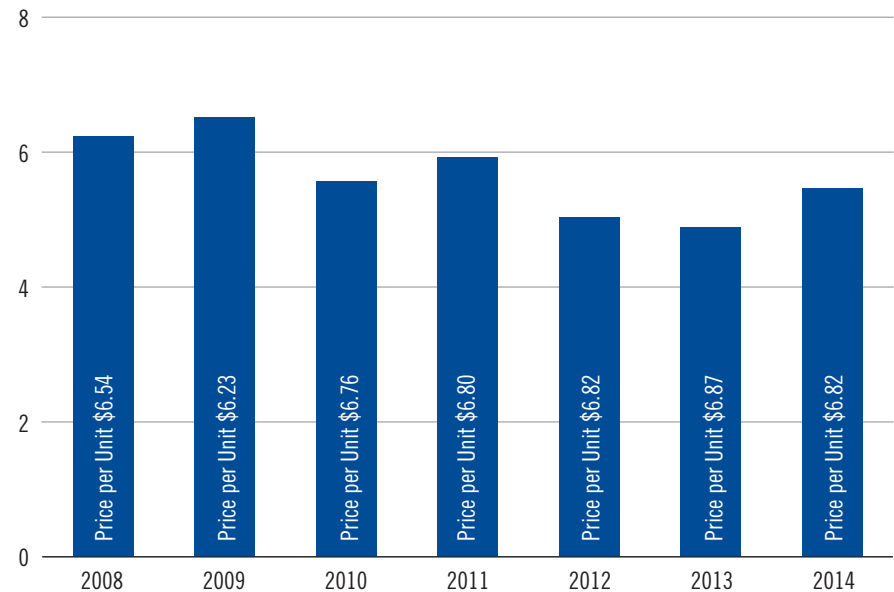
| | |
|----------------------------|------|
| Diversified Canadian Bonds | 0.10 |
| Canadian Corporate Bonds | 0.25 |
| Canadian Equities | 0.66 |
| US Equities | 0.35 |
| Global Equities | 0.56 |

2. 5-year correlation with Franklin Strategic Income Fund Series A. Canadian Corporate Bonds, Diversified Canadian Bonds, Canadian Equities, U.S. Equities and Global Equities are represented by FTSE TMX Canada All Corporate Bond Index, FTSE TMX Canada Universe Bond Index, S&P/TSX Composite TRI, S&P 500 TRI (CDN\$) and MSCI World TRI (CDN\$), respectively.

| Series A, F | CDN\$ | US\$ | Series I, M, O | CDN\$ | US\$ |
|--------------|-------|------|----------------|-------|------|
| Series A FE | 387 | 388 | Series I | 3382 | 3383 |
| Series A DSC | 389 | 390 | Series M | 3805 | — |
| Series A LL | 391 | 393 | Series O | 173 | 174 |
| Series F | 229 | 263 | | | |

GENERATING COMPETITIVE LEVELS OF INCOME

Calendar-Year Distribution Rate (%)³



■ Franklin Strategic Income Fund—Series A³

3. As of December 31 for each year shown. Please visit www.franklintempleton.ca/define for the definition of the distribution rate. Price per unit is the average Series A unit price on the distribution dates of that year. A fund's monthly distribution rate is the sum of all the income plus any return of capital paid to investors per unit during one month, divided by the fund's month-end unit price. This calculation excludes capital gain distributions to reflect the normal monthly income stream. The calendar-year distribution rate is the sum of the 12 monthly distribution rates of that year. Both distribution rates are net of all applicable fees.

CAPTURE THE BEST OPPORTUNITIES IN ANY INTEREST RATE ENVIRONMENT

Sectors performing well in Rising Rate Environments:

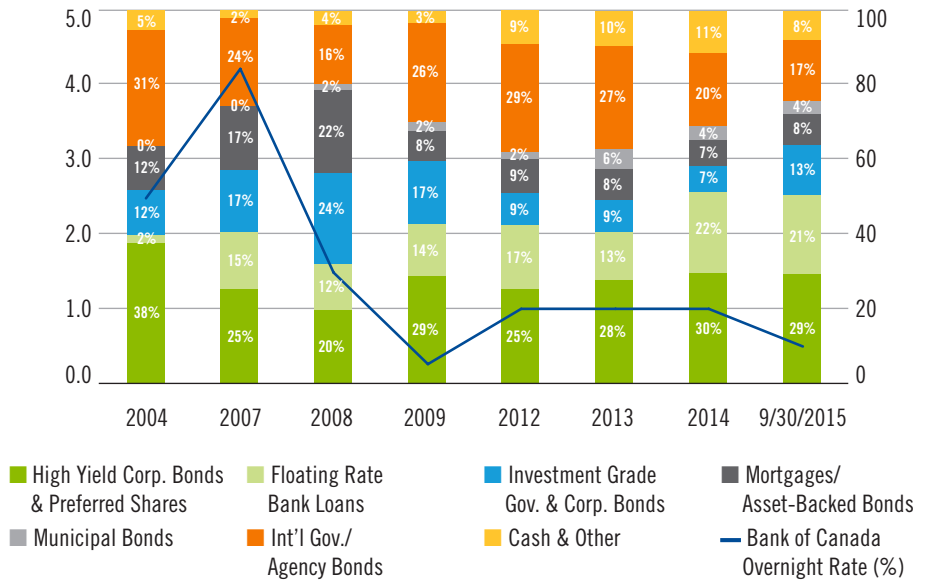
- Floating rate loans
- International/emerging markets bonds
- High yield bonds

Sectors performing well in Falling Rate Environments:

- Government bonds of developed countries
- Investment grade corporate bonds
- Mortgage-backed securities

Bank of Canada Target Overnight Rate⁴ (%)

Franklin Strategic Income Fund Sector Allocation⁵ (%)

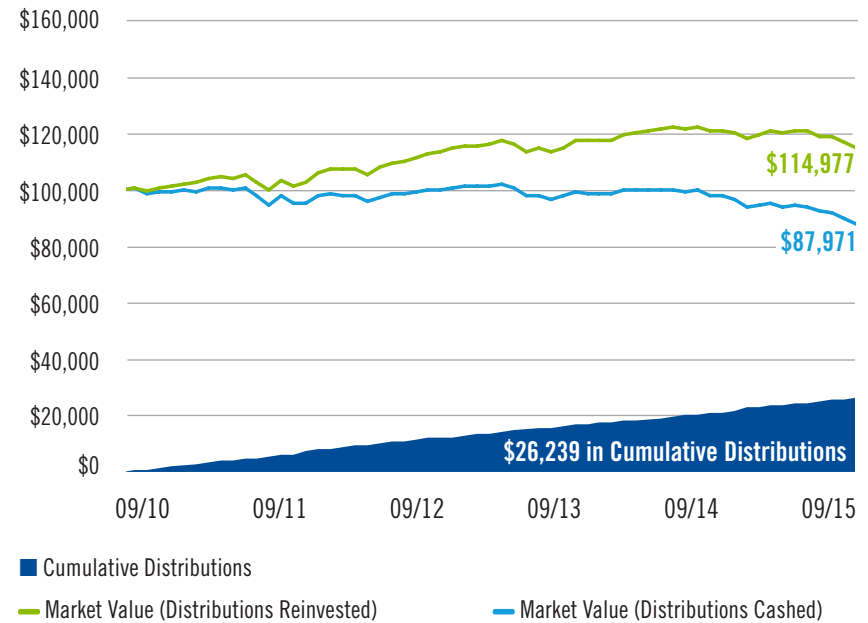


4. Source: Bloomberg, as of September 30, 2015.
 5. Sector allocation figures reflect certain derivatives held in the portfolio (or their underlying reference assets) and may not total 100% or may be negative due to rounding, use of derivatives, unsettled trades or other factors. Weightings as percent of total. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

FIVE-YEAR CUMULATIVE INCOME AND MARKET VALUE OF A \$100,000 INVESTMENT⁶

Franklin Strategic Income Fund–Series A

Market Value and Cumulative Distributions



6. As of September 30, 2015. Assume \$100,000 invested into Series A of the Fund in July 2008 with all distributions reinvested at historical unit prices. The indicated cumulative distributions do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holders. All distributions and market values are net of MERs.

To get Franklin Strategic Income Fund working for you, call your financial advisor today or visit www.franklintempleton.ca and search for “strategic income”.



The historical annual compounded total rates of returns for Franklin Strategic Income Fund (Series A) as of September 30, 2015 are: 1 year, -4.93%; 3 years, 0.88%; 5 years, 2.83%; 10 years, 2.96%; since inception (February 17, 2003), 2.08%. Performance data is shown rounded to the nearest hundredth. Distributions are not guaranteed and the proportion of income and return of capital will fluctuate depending on Fund returns. Unlike fixed-income securities, there is no obligation to distribute any fixed amount, and reductions in, or suspensions of, distributions may occur that would reduce yield. Distributions are not an indication of performance, rate of return, or yield. Mutual fund distributions are not guaranteed and are set and may change at the discretion of Franklin Templeton Investments Corp. The individuals in Franklin Templeton Fixed Income Group managing the Franklin Strategic Income Fund are part of Franklin Advisers, Inc., an affiliate of Franklin Templeton Investments Corp. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus or fund facts document before investing. Mutual funds, unlike GICs, are not guaranteed, their values change frequently, and past performance may not be repeated.