



# Franklin Real Estate Securities Fund

Sector  
September 30, 2016

Fund Fact Sheet | Share Classes: A, C, Advisor

## Fund Description

The Fund seeks to maximize total return. Under normal market conditions, the Fund invests at least 80% of its net assets in equity securities of companies operating in the real estate industry, predominantly in the United States, including: companies qualifying under federal tax law as real estate investment trusts (REITs); and companies that derive at least half of their assets or revenues from the ownership, construction, management, development or sale of residential or commercial real estate (such as real estate operating or service companies, homebuilders, lodging providers, and developers).

## Fund Overview

<b>Total Net Assets [All Share Classes]</b>	\$614 million
<b>Fund Inception Date</b>	1/3/1994
<b>Dividend Frequency</b>	Quarterly in March, June, September and December
<b>Number of Issuers</b>	52

## Share Class Information

Share Class	CUSIP	NASDAQ Symbol
A	354 602 104	FREEX
C	354 602 203	FRRSX
R6	354 602 500	FSERX
Advisor	354 602 302	FRLAX

## Fund Management

	Years with Firm	Years of Experience
Wilson Magee	5	34
Daniel Scher	13	16
Murat Sensoy, CFA	3	13

## Maximum Sales Charge

**Class A:** 5.75% initial sales charge  
**Class C:** 1.00% contingent deferred sales charge (CDSC) in the first year only  
**Advisor Class:** None

## Total Annual Operating Expenses

Share Class	With Waiver	Without Waiver
A	1.00%	1.00%
C	1.75%	1.75%
Advisor	0.75%	0.75%

## Asset Allocation (%)

Equity	99.07
Cash & Cash Equivalents	0.93

## Performance

**Growth of a \$10,000 Investment - Without Sales Charge (from 01/03/1994-09/30/2016)**



## Total Returns % (as of 9/30/2016)

Share Class	YTD	AVERAGE ANNUAL					Since Inception	Inception Date
		CUMULATIVE	1 Yr	3 Yrs	5 Yrs	10 Yrs		
A With Sales Charge	2.86	10.40	11.51	13.62	2.93	8.94	1/3/1994	
A Without Sales Charge	9.12	17.15	13.74	14.97	3.54	9.22	1/3/1994	
C With Sales Charge	7.48	15.30	12.89	14.11	2.77	8.57	5/1/1995	
C Without Sales Charge	8.48	16.30	12.89	14.11	2.77	8.57	5/1/1995	
Advisor	9.33	17.46	14.04	15.26	3.81	9.55	1/3/1994	

## Calendar Year Total Returns % - Without Sales Charge

Share Class	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
A	3.86	30.04	2.17	15.79	9.23	26.90	17.16	-38.12	-27.78	21.28
C	3.09	29.10	1.42	15.00	8.36	25.84	16.34	-38.58	-28.32	20.40
Advisor	4.10	30.45	2.41	16.17	9.50	27.13	17.46	-37.99	-27.60	21.61

  

Share Class	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
A	13.22	32.13	37.64	1.70	7.64	30.84	-5.63	-15.36	19.90	32.50
C	12.37	31.14	36.66	0.89	6.93	29.88	-6.31	-16.01	19.05	31.48
Advisor	13.50	32.47	37.94	2.00	7.90	31.19	-5.38	-15.11	22.28	32.50

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 at (800) DIAL BEN/(800) 342-5236 or visit [franklintempleton.com](http://franklintempleton.com) for the most recent month-end performance.

If the sales charge had been included, the return would have been lower.

The fund has a fee waiver associated with any investment it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through its current fiscal year-end. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.

## Top Ten Holdings (% of Total)

Issuer Name	% of Total
SIMON PROPERTY GROUP INC	9.59
PROLOGIS INC	4.07
VENTAS INC	4.00
WELLTOWER INC	3.71
PUBLIC STORAGE	3.23
BOSTON PROPERTIES INC	3.18
REALTY INCOME CORP	3.01
DIGITAL REALTY TRUST INC	2.64
AVALONBAY COMMUNITIES INC	2.49
VEREIT INC	2.49

## Fund Measures

Standard Deviation (3 Yrs) - Class A	14.76
Beta (3 Yrs, vs. S&P US Property Index) - Class A	1.00

**Composition of Fund**

■ Franklin Real Estate Securities Fund ■ S&P U.S. Property Index

Geographic	% of Equity
United States	100.00 / 100.00

Sector	% of Equity
Office Space	13.02 / 12.53
Regional Malls	12.90 / 12.99
Apartments	12.83 / 13.09
Healthcare Property	12.26 / 13.23
Industrial Property	9.23 / 7.25
Shopping Centers	8.88 / 8.58
Triple Net	8.63 / 9.43
Specialty	7.61 / 5.75
Self-Storage	6.26 / 6.48
Other	8.39 / 10.68

**What Are the Risks**

All investments involve risks, including possible loss of principal. Franklin Real Estate Securities Fund's concentration in real estate securities involves special risks, such as declines in the value of real estate and increased susceptibility to adverse economic or regulatory developments affecting the sector. The fund's investments in REITs involves additional risks, since REITs typically are invested in a limited number of projects or in a particular market segment they are more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments. Also the fund is a "non-diversified fund" and investing in such involves the risk of greater price fluctuation than a more diversified portfolio. These and other risks are described more fully in the fund's prospectus.

**Glossary**

**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 risk; the larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate.

**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.

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

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

Class A: Prior to 8/3/98, these shares were offered at a lower, initial sales charge; thus, actual returns may differ. Class C: Prior to 1/1/04, these shares were offered with an initial sales charge; thus actual returns would have differed.

**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.

**Composition of Fund:** Percentage may not equal 100% due to rounding.