MAY 31, 2013

ANNUAL REPORT
AND SHAREHOLDER LETTER

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Franklin High Income Fund

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Franklin Templeton's distinct multi-manager structure combines the specialized expertise of three world-class investment management groups—Franklin, Templeton and Mutual Series.

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Each of our portfolio management groups operates autonomously, relying on its own research and staying true to the unique investment disciplines that underlie its success.

Franklin. Founded in 1947, Franklin is a recognized leader in fixed income investing and also brings expertise in growth- and value-style U.S. equity investing.

Templeton. Founded in 1940, Templeton pioneered international investing and, in 1954, launched what has become the industry's oldest global fund. Today, with offices in over 25 countries, Templeton offers investors a truly global perspective.

Mutual Series. Founded in 1949, Mutual Series is dedicated to a unique style of value investing, searching aggressively for opportunity among what it believes are undervalued stocks, as well as arbitrage situations and distressed securities.

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Because our management groups work independently and adhere to different investment approaches, Franklin, Templeton and Mutual Series funds typically have distinct portfolios. That's why our funds can be used to build truly diversified allocation plans covering every major asset class.

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At Franklin Templeton Investments, we seek to consistently provide investors with exceptional risk-adjusted returns over the long term, as well as the reliable, accurate and personal service that has helped us become one of the most trusted names in financial services.

MUTUAL FUNDS | RETIREMENT PLANS | 529 COLLEGE SAVINGS PLANS | SEPARATELY MANAGED ACCOUNTS

Not part of the annual report

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Shareholder Letter

Dear Shareholder:

During the 12-month period ended May 31, 2013, the U.S. economy grew as consumer spending, manufacturing, housing and employment levels improved. The Federal Reserve Board (Fed) kept interest rates low and monitored indicators of economic growth and inflation. Seeking to support a stronger recovery, the Fed has been buying mortgage-backed securities and long-term Treasuries on a monthly basis in an effort to put downward pressure on long-term interest rates. In this positive economic environment, many companies posted strong earnings results and U.S. stock markets rose to record levels. Treasury prices declined during the latter part of the reporting period, lifting the 10-year Treasury yield to 2.16% on May 31, 2013, its highest level in more than a year.

Although the recent environment has been challenging, we remain cautiously optimistic about the U.S. and global economies as developed countries attempt to address their fiscal problems and high debt levels while many emerging economies continue to show growth. We also remain positive about securities markets given such underlying fundamentals as generally strong corporate balance sheets and favorable earnings reports. Keep in mind we have navigated through past periods of economic uncertainty and market volatility by remaining committed to our long-term perspective and disciplined investment approach. First and foremost for us, this means conducting rigorous, fundamental analysis of securities with a continual emphasis on investment risk management.

Franklin High Income Fund's annual report goes into greater detail about prevailing conditions during the period under review. In addition, you will find Fund performance data, financial information and a discussion about our investment decisions. Please remember all securities markets fluctuate, as do mutual fund share prices.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

If you would like more frequent updates, **franklintempleton.com** provides daily prices, monthly performance figures, portfolio holdings and other information. You can also access your account, buy and sell shares, and find helpful financial planning tools. We hope you will take advantage of these online services.

We believe active management serves investors well. We also see the important role financial advisors serve in markets like these and encourage investors to continue to seek their counsel. While headwinds remain and the global recovery may continue to be uneven, we are confident investors with a well-diversified portfolio and a patient, long-term outlook will be well positioned in the years ahead.

As a final note, after a distinguished career with Franklin Templeton Investments spanning six decades, Charles B. Johnson retired as chairman of the board of Franklin High Income Trust in June 2013. Mr. Johnson oversaw the Trust as chairman for the past six years, as it sought to provide shareholders with a high level of current income through different market and interest rate cycles. We wish Charlie well on his retirement and thank him for his steady hand and long-term commitment to serving Franklin Templeton shareholders.

We thank you for investing with Franklin Templeton, welcome your questions and comments, and look forward to serving your future investment needs.

Sincerely,

Christopher J. Molumphy, CFA
President and Chief Executive Officer – Investment Management
Franklin High Income Trust

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This letter reflects our analysis and opinions as of May 31, 2013. The information is not a complete analysis of every aspect of any market, country, industry, security or fund. Statements of fact are from sources considered reliable.

Annual Report

Franklin High Income Fund

Your Fund's Goals and Main Investments: Franklin High Income Fund seeks a high level of current income, with a secondary goal of capital appreciation, by investing substantially in high yield, lower rated debt securities and preferred stocks.

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. Please visit ***franklintempleton.com*** *or call* ***(800) 342-5236*** *for most recent month-end performance.*

We are pleased to bring you Franklin High Income Fund's annual report for the fiscal year ended May 31, 2013.

Performance Overview

Franklin High Income Fund – Class A delivered a +15.24% cumulative total return for the 12 months under review. In comparison, the Fund's benchmark, the Credit Suisse (CS) High Yield Index, which tracks the high yield debt market, returned +14.18%.[1] The Fund's peers delivered a +13.97% total return, as measured by the Lipper High Yield Funds Classification Average, which consists of funds chosen by Lipper that aim at high relative current yield from fixed income securities.[2] You can find the Fund's long-term performance data in the Performance Summary beginning on page 8.

Economic and Market Overview

Global financial markets experienced volatility during the Fund's fiscal year amid U.S. elections and fiscal spending debates, concerns regarding a potential slowdown in global economic growth, lingering worries regarding the eurozone's health, and continued, and sometimes competing, monetary programs advanced by various countries and regions. However, investors seemed to grow

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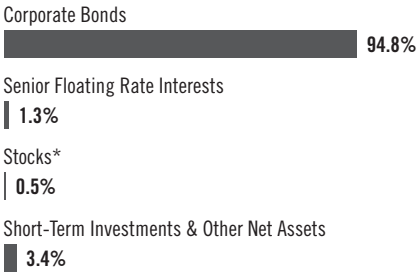
2. Source: Lipper Inc. For the 12-month period ended 5/31/13, the Lipper High Yield Funds Classification Average consisted of 534 funds. Lipper calculations do not include sales charges but include reinvestment of any income or distributions. Fund performance relative to the average may have differed if these or other factors had been considered.

The indexes are unmanaged and include reinvestment of any income or distributions. One cannot invest directly in an index, and an index is not representative of the Fund's portfolio.

The dollar value, number of shares or principal amount, and names of all portfolio holdings are listed in the Fund's Statement of Investments (SOI). The SOI begins on page 20.

Asset Allocation
Based on Total Net Assets as of 5/31/13



*Includes common, preferred and convertible preferred stocks.

more comfortable with the fundamental backdrop, which supported the performance of many asset classes. Many central banks' continued low-rate policies, combined with aggressive quantitative easing programs, were favorable for financial markets. In particular, the announcement of Japan's aggressive quantitative easing program seemed to override concerns regarding some deceleration in Chinese economic growth. Against this backdrop, equity markets generally moved higher, with the Standard & Poor's® 500 Index advancing 27.28% during the 12-month period.[3] Toward period-end, however, concerns that the Federal Reserve Board could begin to pull back on its quantitative easing program of buying Treasury and agency mortgage-backed securities led U.S. interest rates to move higher. The 10-year Treasury yield rose to 2.16% by period-end, compared to 1.59% at the beginning of the period.

In the high yield corporate bond market, many trends that supported equity markets also drove high yield bond prices higher during the year. In particular, we believe the stable and consistent U.S. economic growth environment has been beneficial for high yield corporate bonds. With a favorable fundamental credit backdrop for many high yield issuers, trailing default rates remained below the long-term average. Despite an increase in certain shareholder-friendly activities and even with corporate profit margins, in our view, beginning to peak, many companies' abilities to refinance their balance sheets with lower cost debt improved their liquidity and balance sheet positioning. Although investor demand for high yield bond securities began to wane toward period-end, a heavy new-issue supply was fairly well absorbed by the market during the period. High yield spreads over Treasuries narrowed during the year, compressing from 7.0 percentage points to 4.9, although high yield bond prices eased slightly at period-end as U.S. interest rates rose. As a result of this spread narrowing, valuations at period-end were slightly tight to the long-term average.

Investment Strategy

We are disciplined, fundamental investors who mainly rely on our analysts' in-depth industry expertise to evaluate companies. We examine sectors and individual securities in detail. When evaluating an issuer's creditworthiness, we consider the issuer's experience, managerial strength, sensitivity to economic conditions, credit rating, and current and prospective financial condition.

3. Source: © 2013 Morningstar. STANDARD & POOR'S®, S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC.

Dividend Distributions*
6/1/12–5/31/13

	Dividend per Share (cents)			
Month	Class A	Class C	Class R	Advisor Class
June	1.20	1.12	1.14	1.22
July	1.20	1.12	1.14	1.22
August	1.20	1.12	1.14	1.22
September	1.20	1.12	1.14	1.23
October	1.20	1.12	1.14	1.23
November	1.20	1.12	1.14	1.23
December	1.20	1.11	1.13	1.22
January	1.20	1.11	1.13	1.22
February	1.20	1.11	1.13	1.22
March	1.10	1.01	1.03	1.13
April	1.10	1.01	1.03	1.13
May	1.10	1.01	1.03	1.13
Total	**14.10**	**13.08**	**13.32**	**14.40**

*All Fund distributions will vary depending upon current market conditions, and past distributions are not indicative of future trends.

Manager's Discussion

The Fund outperformed the CS High Yield Index and the average return of peer funds, as measured by the Lipper High Yield Funds Classification Average, during the period. Similar to the overall high yield market, the Fund experienced a low default rate.

A number of Fund industry weightings favorably affected performance relative to its peer group.[4] The Fund's overweighting in the broadcasting sector was a positive contributor, particularly as certain higher risk radio company issues performed well.[5] An underweighting in the gaming and leisure industry was beneficial, as certain higher quality gaming securities lagged the market, and certain securities from one larger capitalization gaming issuer also underperformed amid concerns regarding that company's leverage.[6] An overweighting in the food and beverage industry was beneficial, given strong performance from certain issuers in that sector.[7]

4. For industry weighting comparisons, the Fund's peer group comprises some of the mutual funds in the Lipper High Yield Funds Classification Average.

5. Broadcasting is part of media in the SOI.

6. Gaming and leisure is part of consumer services in the SOI.

7. The food and beverage industry is part of food, beverage and tobacco in the SOI.

What is a currency forward contract?

A currency forward contract, also called a "currency forward," is an agreement between the Fund and a counterparty to buy or sell a foreign currency for a specific exchange rate on a future date.

What is a credit derivative?

A credit derivative is a contract agreement between the Fund and a counterparty that is principally used by the Fund to gain or increase exposure to certain high yield securities or segments of the high yield bond market and/or to hedge against credit risk.

Looking at sectors that detracted from the Fund's performance relative to peers, the Fund's overweighting in energy weighed on returns. Although natural gas prices recovered from their 2012 lows, energy price volatility and a large new-issue supply for energy issuers led this sector to lag in performance. The Fund's somewhat underweighted position in the wireless communications industry also detracted from relative performance, as that industry outperformed the broader high yield market, benefiting from completed and proposed consolidation.[8] Finally, a larger exposure to the industrial sector constrained relative returns, as certain industrial issuers underperformed amid a mixed global economic outlook.[9]

Considering recent default rates that trended below their historical averages, the relationship between valuations and default rates still appeared reasonable to us. Moreover, a temporary resolution of U.S. budget negotiations and, in our analysis, a lower likelihood that Europe's economic malaise could revert to a sovereign debt crisis, seemed to reduce downside risks for financial markets. Although the potential outflows from high yield bonds into other asset classes could impact shorter term trading levels for high yield corporate bonds, we remained focused on the fundamental credit trends that could impact longer term default rates. Based upon this outlook and considering current valuations, we held a relatively neutral risk fund positioning compared to the high yield market, with an overweighting in energy sector high yield corporate issuers relative to certain peer funds.

The portfolio utilized derivatives, including currency forwards and credit derivatives via a high yield derivatives index. Currency forwards are principally used as a tool to hedge currency risk. Credit derivatives are principally used to gain or increase exposure to certain high yield securities or segments of the high yield bond market and/or to hedge against credit risk.

8. Wireless communications is part of telecommunications services in the SOI.

9. Industrials holdings are in the capital goods, commercial and professional services, software and services, and transportation industries in the SOI.

Thank you for your continued participation in Franklin High Income Fund. We look forward to serving your future investment needs.

Christopher J. Molumphy, CFA

Eric G. Takaha, CFA

Portfolio Management Team
Franklin High Income Fund

The foregoing information reflects our analysis, opinions and portfolio holdings as of May 31, 2013, the end of the reporting period. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions. These opinions may not be relied upon as investment advice or an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but the investment manager makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

Top 10 Holdings by Issuer*

5/31/13

Company *Sector/Industry*	% of Total Net Assets
Sprint Nextel Corp. *Telecommunication Services*	2.2%
HCA Inc. *Health Care Equipment & Services*	2.0%
Intelsat Jackson Holdings SA *Telecommunication Services*	1.7%
Reynolds Group Issuer Inc./LLC/SA *Materials*	1.6%
First Data Corp. *Software & Services*	1.5%
DISH DBS Corp. *Media*	1.4%
Chesapeake Energy Corp. *Energy*	1.3%
CIT Group Inc. *Banks*	1.2%
Bank of America Corp. *Diversified Financials*	1.2%
MGM Resorts Internationals *Consumer Services*	1.2%

*Securities are listed by issuer, which may appear by another name in the SOI.

Performance Summary as of 5/31/13

Your dividend income will vary depending on dividends or interest paid by securities in the Fund's portfolio, adjusted for operating expenses of each class. Capital gain distributions are net profits realized from the sale of portfolio securities. The performance table and graphs do not reflect any taxes that a shareholder would pay on Fund dividends, capital gain distributions, if any, or any realized gains on the sale of Fund shares. Total return reflects reinvestment of the Fund's dividends and capital gain distributions, if any, and any unrealized gains or losses.

Price and Distribution Information

Class A (Symbol: FHAIX)		Change	5/31/13	5/31/12
Net Asset Value (NAV)		+$0.15	$2.12	$1.97
Distributions (6/1/12–5/31/13)				
Dividend Income	$0.1410			
Class C (Symbol: FCHIX)		**Change**	**5/31/13**	**5/31/12**
Net Asset Value (NAV)		+$0.14	$2.13	$1.99
Distributions (6/1/12–5/31/13)				
Dividend Income	$0.1308			
Class R (Symbol: FHIRX)		**Change**	**5/31/13**	**5/31/12**
Net Asset Value (NAV)		+$0.14	$2.14	$2.00
Distributions (6/1/12–5/31/13)				
Dividend Income	$0.1332			
Class R6 (Symbol: n/a)		**Change**	**5/31/13**	**5/1/13**
Net Asset Value (NAV)		-$0.02	$2.12	$2.14
Advisor Class (Symbol: FVHIX)		**Change**	**5/31/13**	**5/31/12**
Net Asset Value (NAV)		+$0.14	$2.12	$1.98
Distributions (6/1/12–5/31/13)				
Dividend Income	$0.1440			

Performance Summary *(continued)*

Performance

Cumulative total return excludes sales charges. Aggregate and average annual total returns and value of $10,000 investment include maximum sales charges. ***Class A:*** *4.25% maximum initial sales charge;* ***Class C:*** *1% contingent deferred sales charge in first year only;* ***Class R/R6/Advisor Class:*** *no sales charges.*

Class A		1-Year	5-Year	10-Year
Cumulative Total Return[1]		+15.24%	+56.86%	+142.08%
Average Annual Total Return[2]		+10.21%	+8.47%	+8.79%
Value of $10,000 Investment[3]		$11,021	$15,013	$23,220
Avg. Ann. Total Return (6/30/13)[4]		+4.94%	+8.45%	+8.09%
Distribution Rate[5]	5.97%			
30-Day Standardized Yield[6]	4.28%			
Total Annual Operating Expenses[7]	0.78%			
Class C		**1-Year**	**5-Year**	**10-Year**
Cumulative Total Return[1]		+13.99%	+52.50%	+129.00%
Average Annual Total Return[2]		+12.99%	+8.81%	+8.64%
Value of $10,000 Investment[3]		$11,299	$15,250	$22,900
Avg. Ann. Total Return (6/30/13)[4]		+7.52%	+8.83%	+7.98%
Distribution Rate[5]	5.69%			
30-Day Standardized Yield[6]	3.96%			
Total Annual Operating Expenses[7]	1.28%			
Class R		**1-Year**	**5-Year**	**10-Year**
Cumulative Total Return[1]		+14.05%	+54.08%	+133.02%
Average Annual Total Return[2]		+14.05%	+9.03%	+8.83%
Value of $10,000 Investment[3]		$11,405	$15,408	$23,302
Avg. Ann. Total Return (6/30/13)[4]		+8.60%	+8.94%	+8.17%
Distribution Rate[5]	5.78%			
30-Day Standardized Yield[6]	4.12%			
Total Annual Operating Expenses[7]	1.13%			
Class R6				**Inception (5/1/13)**
Cumulative Total Return[1]				-0.93%
Aggregate Total Return[8]				-10.80%
Value of $10,000 Investment[3]				$9,907
Aggregate Total Return (6/30/13)[4, 8]				-3.69%
30-Day Standardized Yield[6]	4.79%			
Total Annual Operating Expenses[7]	0.51%			
Advisor Class		**1-Year**	**5-Year**	**10-Year**
Cumulative Total Return[1]		+14.81%	+57.85%	+145.35%
Average Annual Total Return[2]		+14.81%	+9.56%	+9.39%
Value of $10,000 Investment[3]		$11,481	$15,785	$24,535
Avg. Ann. Total Return (6/30/13)[4]		+9.26%	+9.58%	+8.72%
Distribution Rate[5]	6.40%			
30-Day Standardized Yield[6]	4.62%			
Total Annual Operating Expenses[7]	0.63%			

Performance data represent past performance, which does not guarantee future results. Investment return and principal value will fluctuate, and you may have a gain or loss when you sell your shares. Current performance may differ from figures shown. For most recent month-end performance, go to ***franklintempleton.com*** *or call* ***(800) 342-5236****.*

Performance Summary *(continued)*

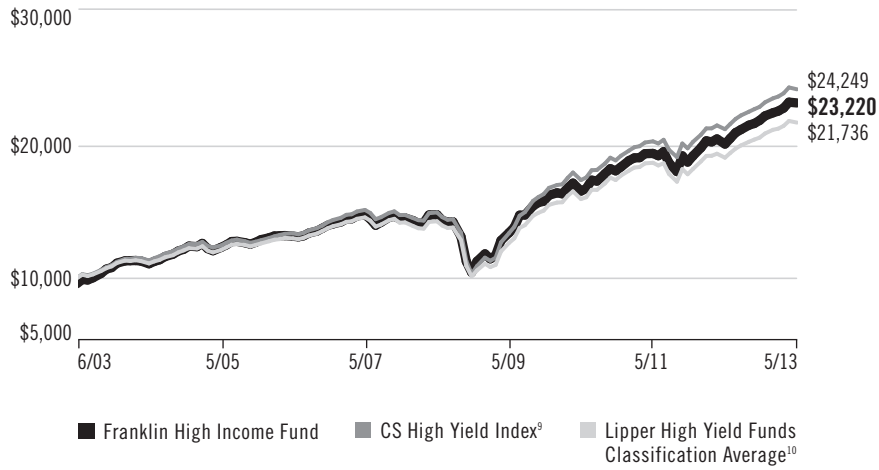
Total Return Index Comparison for a Hypothetical $10,000 Investment

Total return represents the change in value of an investment over the periods shown. It includes any current, applicable, maximum sales charge, Fund expenses, account fees and reinvested distributions. The unmanaged indexes include reinvestment of any income or distributions. They differ from the Fund in composition and do not pay management fees or expenses. One cannot invest directly in an index.

Average Annual Total Return

Class A	5/31/13
1-Year	+10.21%
5-Year	+8.47%
10-Year	+8.79%

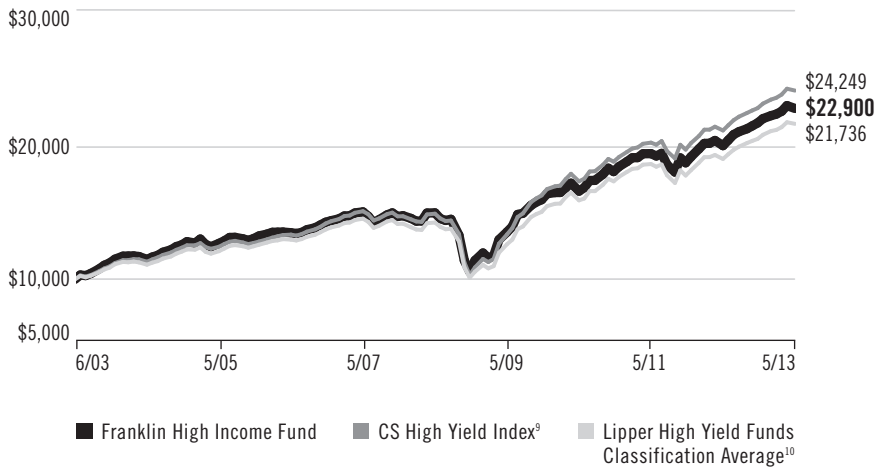
Class A (6/1/03–5/31/13)



Average Annual Total Return

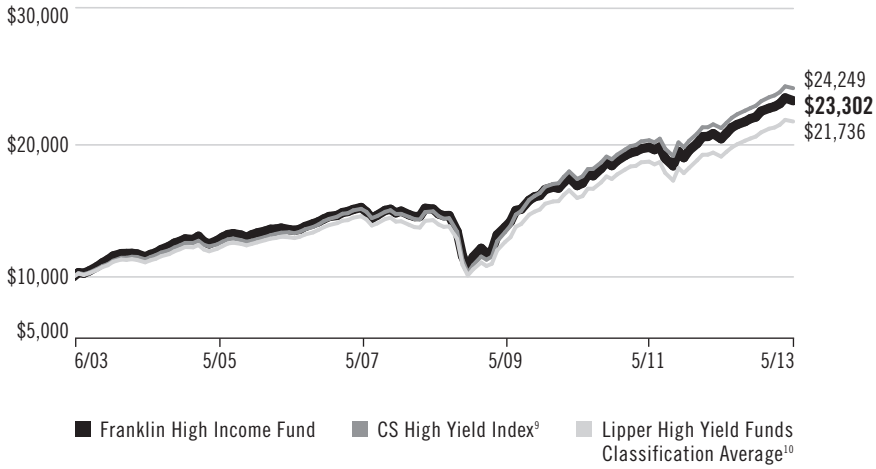
Class C	5/31/13
1-Year	+12.99%
5-Year	+8.81%
10-Year	+8.64%

Class C (6/1/03–5/31/13)



Performance Summary *(continued)*

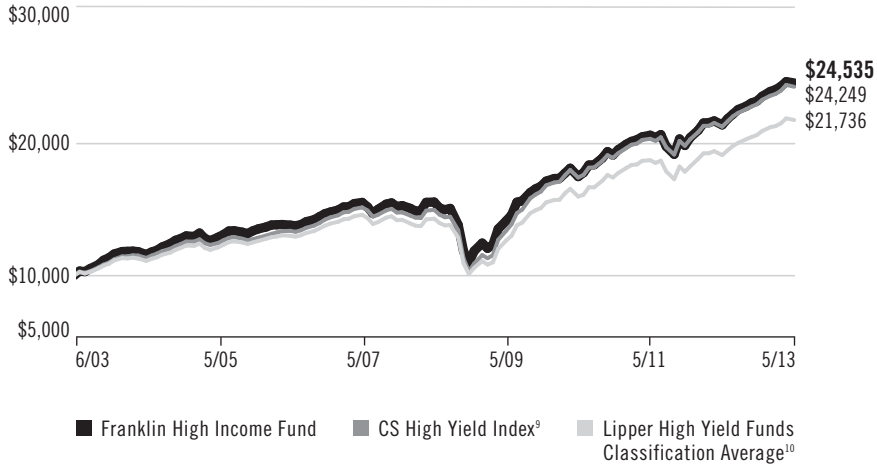
Class R (6/1/03–5/31/13)



Average Annual Total Return

Class R	5/31/13
1-Year	+14.05%
5-Year	+9.03%
10-Year	+8.83%

Advisor Class (6/1/03–5/31/13)



Average Annual Total Return

Advisor Class	5/31/13
1-Year	+14.81%
5-Year	+9.56%
10-Year	+9.39%

Performance Summary *(continued)*

Endnotes

All investments involve risks, including possible loss of principal. The risks associated with higher yielding, lower rated securities include higher risk of default and loss of principal. Investment in foreign securities also involves special risks, including currency fluctuations, and political and economic uncertainty. In addition, interest rate movements will affect the Fund's share price and yield. Bond prices generally move in the opposite direction of interest rates. Thus, as 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. The Fund is actively managed but there is no guarantee that the manager's investment decisions will produce the desired results. The Fund's prospectus also includes a description of the main investment risks.

Class C: Prior to 1/1/04, these shares were offered with an initial sales charge; thus actual total returns would have differed. These shares have higher annual fees and expenses than Class A shares.

Class R: Shares are available to certain eligible investors as described in the prospectus. These shares have higher annual fees and expenses than Class A shares.

Class R6: Shares are available to certain eligible investors as described in the prospectus.

Advisor Class: Shares are available to certain eligible investors as described in the prospectus.

1. Cumulative total return represents the change in value of an investment over the periods indicated.
2. Average annual total return represents the average annual change in value of an investment over the periods indicated.
3. These figures represent the value of a hypothetical $10,000 investment in the Fund over the periods indicated.
4. In accordance with SEC rules, we provide standardized average annual total return information through the latest calendar quarter.
5. Distribution rate is based on an annualization of the respective class's May dividend and the maximum offering price (NAV for Classes C, R, R6 and Advisor) per share on 5/31/13.
6. The 30-day standardized yield for the 30 days ended 5/31/13 reflects an estimated yield to maturity (assuming all portfolio securities are held 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) or the income reported in the Fund's financial statements.
7. Figures are as stated in the current prospectus. In periods of market volatility, assets may decline significantly, causing total annual Fund operating expenses to become higher than the figures shown.
8. Aggregate total return represents the change in value of an investment for the period indicated. Since Class R6 shares have existed for less than one year, average annual total return is not available.
9. Source: © 2013 Morningstar. The CS High Yield Index is designed to mirror the investable universe of the U.S. dollar-denominated high yield debt market.
10. Source: Lipper Inc. The Lipper High Yield Funds Classification Average is calculated by averaging the total returns of funds within the Lipper High Yield Funds classification in the Lipper Open-End underlying funds universe for the period indicated. Lipper High Yield Funds are defined as funds that aim at high (relative) current yield from fixed income securities, have no quality or maturity restrictions, and tend to invest in lower grade debt issues. For the one-year period ended 5/31/13, there were 534 funds in this category. Lipper calculations do not include sales charges.

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs:

- Transaction costs, including sales charges (loads) on Fund purchases; and
- Ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses.

The following table shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a $1,000 investment held for the six months indicated.

Actual Fund Expenses

The first line (Actual) for each share class listed in the table provides actual account values and expenses. The "Ending Account Value" is derived from the Fund's actual return, which includes the effect of Fund expenses.

You can estimate the expenses you paid during the period by following these steps. *Of course, your account value and expenses will differ from those in this illustration:*

1. Divide your account value by $1,000.
   If an account had an $8,600 value, then $8,600 ÷ $1,000 = 8.6.
2. Multiply the result by the number under the heading "Expenses Paid During Period."
   If Expenses Paid During Period were $7.50, then 8.6 x $7.50 = $64.50.

In this illustration, the estimated expenses paid this period are $64.50.

Hypothetical Example for Comparison with Other Funds

Information in the second line (Hypothetical) for each class in the table can help you compare ongoing costs of investing in the Fund with those of other mutual funds. This information may not be used to estimate the actual ending account balance or expenses you paid during the period. The hypothetical "Ending Account Value" is based on the actual expense ratio for each class and an assumed 5% annual rate of return before expenses, which does not represent the Fund's actual return. The figure under the heading "Expenses Paid During Period" shows the hypothetical expenses your account would have incurred under this scenario. You can compare this figure with the 5% hypothetical examples that appear in shareholder reports of other funds.

Your Fund's Expenses *(continued)*

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transaction costs, such as sales charges. Therefore, the second line for each class is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transaction costs were included, your total costs would have been higher. Please refer to the Fund prospectus for additional information on operating expenses.

Class A	Beginning Account Value 12/1/12	Ending Account Value 5/31/13	Expenses Paid During Period* 12/1/12–5/31/13
Actual	$1,000	$1,058.40	$3.95
Hypothetical (5% return before expenses)	$1,000	$1,021.09	$3.88
Class C			
Actual	$1,000	$1,050.20	$6.49
Hypothetical (5% return before expenses)	$1,000	$1,018.60	$6.39
Class R			
Actual	$1,000	$1,055.60	$5.74
Hypothetical (5% return before expenses)	$1,000	$1,019.35	$5.64
Class R6			
Actual (5/1/13–5/31/13)	$1,000	$ 990.70	$2.39
Hypothetical (5% return before expenses)	$1,000	$1,021.84	$2.42
Advisor Class			
Actual	$1,000	$1,059.10	$3.18
Hypothetical (5% return before expenses)	$1,000	$1,021.84	$3.13

*Expenses are calculated using the most recent six-month expense ratio, annualized for each class (A: 0.77%; C: 1.27%; R: 1.12%; R6: 0.48%; and Advisor: 0.62%), multiplied by the average account value over the period, multiplied by 182/365 to reflect the one-half year period for Class R6 Hypothetical expenses and Actual and Hypothetical expenses for Classes A, C, R & Advisor. The multiplier is 31/365 for Actual Class R6 expenses to reflect the number of days since inception.

Franklin High Income Trust

Financial Highlights

Franklin High Income Fund

Class A	Year Ended May 31, 2013	2012	2011	2010	2009
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	$1.97	$2.05	$1.89	$1.66	$2.01
Income from investment operations[a]:					
Net investment income[b]	0.13	0.14	0.15	0.15	0.14
Net realized and unrealized gains (losses)	0.16	(0.07)	0.16	0.23	(0.34)
Total from investment operations	0.29	0.07	0.31	0.38	(0.20)
Less distributions from net investment income	(0.14)	(0.15)	(0.15)	(0.15)	(0.15)
Redemption fees[c]	—	—	—	—	—[d]
Net asset value, end of year	$2.12	$1.97	$2.05	$1.89	$1.66
Total return[e]	15.24%	3.64%	17.15%	23.50%	(9.23)%
Ratios to average net assets					
Expenses[f]	0.76%	0.76%	0.75%	0.74%	0.78%
Net investment income	6.49%	7.16%	7.48%	8.30%	8.80%
Supplemental data					
Net assets, end of year (000's)	$3,920,619	$2,979,160	$2,750,251	$2,286,144	$1,811,866
Portfolio turnover rate	28.89%	22.52%	51.57%	41.14%	26.56%

[a]The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

[b]Based on average daily shares outstanding.

[c]Effective September 1, 2008, the redemption fee was eliminated.

[d]Amount rounds to less than $0.01 per share.

[e]Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

[f]Benefit of expense reduction rounds to less than 0.01%.

Franklin High Income Trust

Financial Highlights *(continued)*

Franklin High Income Fund

Class C	Year Ended May 31, 2013	2012	2011	2010	2009
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	$1.99	$2.07	$1.90	$1.67	$2.02
Income from investment operations[a]:					
Net investment income[b]	0.13	0.13	0.14	0.15	0.14
Net realized and unrealized gains (losses)	0.14	(0.07)	0.17	0.22	(0.35)
Total from investment operations	0.27	0.06	0.31	0.37	(0.21)
Less distributions from net investment income	(0.13)	(0.14)	(0.14)	(0.14)	(0.14)
Redemption fees[c]	—	—	—	—	—[d]
Net asset value, end of year	$2.13	$1.99	$2.07	$1.90	$1.67
Total return[e]	13.99%	3.09%	17.03%	22.74%	(9.65)%
Ratios to average net assets					
Expenses[f]	1.26%	1.26%	1.25%	1.25%	1.28%
Net investment income	5.99%	6.66%	6.98%	7.79%	8.30%
Supplemental data					
Net assets, end of year (000's)	$814,757	$580,850	$494,073	$398,292	$310,399
Portfolio turnover rate	28.89%	22.52%	51.57%	41.14%	26.56%

[a]The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

[b]Based on average daily shares outstanding.

[c]Effective September 1, 2008, the redemption fee was eliminated.

[d]Amount rounds to less than $0.01 per share.

[e]Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

[f]Benefit of expense reduction rounds to less than 0.01%.

Franklin High Income Trust

Financial Highlights *(continued)*

Franklin High Income Fund

Class R	Year Ended May 31, 2013	2012	2011	2010	2009
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	$2.00	$2.08	$1.91	$1.68	$2.02
Income from investment operations[a]:					
Net investment income[b]	0.13	0.14	0.14	0.15	0.14
Net realized and unrealized gains (losses)	0.14	(0.08)	0.18	0.22	(0.33)
Total from investment operations	0.27	0.06	0.32	0.37	(0.19)
Less distributions from net investment income	(0.13)	(0.14)	(0.15)	(0.14)	(0.15)
Redemption fees[c]	—	—	—	—	—[d]
Net asset value, end of year	$2.14	$2.00	$2.08	$1.91	$1.68
Total return[e]	14.05%	3.25%	17.12%	22.78%	(9.01)%
Ratios to average net assets					
Expenses[f]	1.11%	1.11%	1.10%	1.10%	1.13%
Net investment income	6.14%	6.81%	7.13%	7.94%	8.45%
Supplemental data					
Net assets, end of year (000's)	$335,335	$263,425	$209,566	$122,056	$42,459
Portfolio turnover rate	28.89%	22.52%	51.57%	41.14%	26.56%

[a]The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

[b]Based on average daily shares outstanding.

[c]Effective September 1, 2008, the redemption fee was eliminated.

[d]Amount rounds to less than $0.01 per share.

[e]Total return does not reflect sales commissions or contingent deferred sales charges, if applicable.

[f]Benefit of expense reduction rounds to less than 0.01%.

Franklin High Income Trust

Financial Highlights *(continued)*

Franklin High Income Fund

Class R6	Period Ended May 31, 2013[a]
Per share operating performance (for a share outstanding throughout the period)	
Net asset value, beginning of period	$2.14
Income from investment operations[b]:	
Net investment income[c]	0.01
Net realized and unrealized gains (losses)	(0.03)
Total from investment operations	(0.02)
Net asset value, end of period	$2.12
Total return[d]	(0.93)%
Ratios to average net assets[e]	
Expenses[f]	0.48%
Net investment income	6.78%
Supplemental data	
Net assets, end of period (000's)	$298
Portfolio turnover rate	28.89%

[a]For the period May 1, 2013 (effective date) to May 31, 2013.

[b]The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

[c]Based on average daily shares outstanding.

[d]Total return does not reflect sales commissions or contingent deferred sales charges, if applicable, and is not annualized for periods less than one year.

[e]Ratios are annualized for periods less than one year.

[f]Benefit of expense reduction rounds to less than 0.01%.

Franklin High Income Trust

Financial Highlights *(continued)*

Franklin High Income Fund

Advisor Class	Year Ended May 31, 2013	2012	2011	2010	2009
Per share operating performance (for a share outstanding throughout the year)					
Net asset value, beginning of year	$1.98	$2.06	$1.89	$1.66	$2.01
Income from investment operations[a]:					
Net investment income[b]	0.14	0.14	0.15	0.16	0.14
Net realized and unrealized gains (losses)	0.14	(0.07)	0.18	0.22	(0.34)
Total from investment operations	0.28	0.07	0.33	0.38	(0.20)
Less distributions from net investment income	(0.14)	(0.15)	(0.16)	(0.15)	(0.15)
Redemption fees[c]	—	—	—	—	—[d]
Net asset value, end of year	$2.12	$1.98	$2.06	$1.89	$1.66
Total return	14.81%	3.79%	17.89%	23.65%	(9.12)%
Ratios to average net assets					
Expenses[e]	0.61%	0.61%	0.60%	0.60%	0.63%
Net investment income	6.64%	7.31%	7.63%	8.44%	8.95%
Supplemental data					
Net assets, end of year (000's)	$1,275,166	$857,927	$362,418	$189,004	$149,485
Portfolio turnover rate	28.89%	22.52%	51.57%	41.14%	26.56%

[a]The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund shares in relation to income earned and/or fluctuating market value of the investments of the Fund.

[b]Based on average daily shares outstanding.

[c]Effective September 1, 2008, the redemption fee was eliminated.

[d]Amount rounds to less than $0.01 per share.

[e]Benefit of expense reduction rounds to less than 0.01%.

Franklin High Income Trust

Statement of Investments, May 31, 2013

Franklin High Income Fund	Country	Shares/Warrants	Value
Common Stocks and Other Equity Interests 0.2%			
Consumer Services 0.0%†			
[a,b] Station Casinos Inc., wts., 6/17/18	United States	136,789	$ 194,240
Materials 0.1%			
[a,b] NewPage Corp., Litigation Trust	United States	30,000,000	—
[a,c] NewPage Holdings Inc.	United States	120,000	11,279,999
			11,279,999
Transportation 0.1%			
[a,c] CEVA Holdings LLC	United Kingdom	3,364	3,364,220
Total Common Stocks and Other Equity Interests (Cost $31,987,054)			14,838,459
Convertible Preferred Stocks 0.1%			
Transportation 0.1%			
[a,c] CEVA Holdings LLC, cvt. pfd., A-1	United Kingdom	134	179,560
[a,c] CEVA Holdings LLC, cvt. pfd., A-2	United Kingdom	7,283	7,282,620
Total Convertible Preferred Stocks (Cost $10,857,234)			7,462,180
Preferred Stocks (Cost $8,655,000) 0.2%			
Diversified Financials 0.2%			
GMAC Capital Trust I, 8.125%, 8.125%, pfd.	United States	346,200	9,215,844
		Principal Amount*	
Corporate Bonds 94.8%			
Automobiles & Components 1.3%			
Exide Technologies, senior secured note, 8.625%, 2/01/18	United States	5,400,000	3,537,000
Ford Motor Credit Co. LLC, senior note, 5.00%, 5/15/18	United States	10,000,000	11,049,640
The Goodyear Tire & Rubber Co., senior note,			
8.25%, 8/15/20	United States	20,000,000	22,375,000
6.50%, 3/01/21	United States	25,200,000	26,649,000
[d] International Automotive Components Group SL, senior secured note, 144A, 9.125%, 6/01/18	United States	20,000,000	20,100,000
			83,710,640
Banks 2.0%			
CIT Group Inc., senior note,			
5.25%, 3/15/18	United States	9,000,000	9,720,000
5.375%, 5/15/20	United States	21,550,000	23,327,875
5.00%, 8/15/22	United States	33,650,000	36,001,260
[d] 144A, 6.625%, 4/01/18	United States	6,925,000	7,825,250
[d,e] Provident Fund Associates LP/Finance Corp., senior note, 144A, 6.75%, 6/15/21	United States	10,700,000	10,967,500
Royal Bank of Scotland Group PLC, sub. note, 6.125%, 12/15/22	United Kingdom	40,000,000	41,275,000
			129,116,885
Capital Goods 3.4%			
[d] Abengoa Finance SAU, senior note, 144A, 8.875%, 11/01/17	Spain	35,000,000	33,403,125
Case New Holland Inc., senior note, 7.875%, 12/01/17	United States	20,000,000	23,600,000
[d] DigitalGlobe Inc., senior note, 144A, 5.25%, 2/01/21	United States	14,300,000	14,478,750

Franklin High Income Trust

Statement of Investments, May 31, 2013 *(continued)*

Franklin High Income Fund	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Capital Goods (continued)			
Meritor Inc., senior note,			
10.625%, 3/15/18	United States	30,000,000	$ 33,037,500
6.75%, 6/15/21	United States	7,000,000	6,947,500
Navistar International Corp., senior note, 8.25%, 11/01/21	United States	25,800,000	26,412,750
Terex Corp., senior note, 6.00%, 5/15/21	United States	19,700,000	20,931,250
[d] Triumph Group Inc., senior note, 144A, 4.875%, 4/01/21	United States	30,000,000	30,675,000
[d] Zachry Holdings Inc., senior note, 144A, 7.50%, 2/01/20	United States	23,525,000	24,995,313
			214,481,188
Commercial & Professional Services 1.1%			
[d] Algeco Scotsman Global Finance PLC,			
secured note, 144A, 8.50%, 10/15/18	United Kingdom	35,000,000	36,575,000
senior note, 144A, 10.75%, 10/15/19	United Kingdom	10,000,000	9,950,000
[b,f] Goss Graphic Systems Inc., senior sub. note, 12.25%, 11/19/05	United States	9,053,899	905
[d,g] Igloo Holdings Corp., senior note, 144A, PIK, 8.25%, 12/15/17	United States	8,900,000	9,189,250
Interactive Data Corp., senior note, 10.25%, 8/01/18	United States	10,000,000	11,275,000
United Rentals North America Inc., senior sub. note, 8.375%, 9/15/20	United States	5,300,000	5,803,500
			72,793,655
Consumer Durables & Apparel 3.0%			
Jarden Corp., senior sub. note, 7.50%, 5/01/17	United States	13,400,000	15,309,500
KB Home, senior bond, 7.50%, 9/15/22	United States	35,600,000	40,584,000
M/I Homes Inc., senior note, 8.625%, 11/15/18	United States	21,500,000	23,865,000
Shea Homes LP/Funding Corp., senior secured note, 8.625%, 5/15/19	United States	25,000,000	28,500,000
[d,e] SIWF Merger Sub Inc./Springs Industries Inc., senior secured note, 144A, 6.25%, 6/01/21	United States	9,300,000	9,276,750
[d] Taylor Morrison Communities Inc./Monarch Communities Inc., senior note, 144A,			
7.75%, 4/15/20	United States	20,746,000	23,235,520
5.25%, 4/15/21	United States	15,500,000	15,732,500
Visant Corp., senior note, 10.00%, 10/01/17	United States	35,000,000	33,687,500
			190,190,770
Consumer Services 3.5%			
[d] Caesars Entertainment Operating Co. Inc., secured note, 144A, 9.00%, 2/15/20	United States	10,000,000	9,675,000
[d] Caesars Operating Escrow LLC/Corp., first lien, 144A, 9.00%, 2/15/20	United States	11,400,000	11,029,500
ClubCorp Club Operations Inc., senior note, 10.00%, 12/01/18	United States	30,000,000	33,712,500
[d,f] Fontainebleau Las Vegas, 144A, 11.00%, 6/15/15	United States	20,000,000	12,500
Harrah's Operating Co. Inc., senior secured note, 11.25%, 6/01/17	United States	45,000,000	47,137,500
MGM Resorts International, senior note,			
6.625%, 7/15/15	United States	30,000,000	32,700,000
6.875%, 4/01/16	United States	10,000,000	11,050,000
6.625%, 12/15/21	United States	12,950,000	14,050,750
7.75%, 3/15/22	United States	5,000,000	5,725,000
[d] 144A, 6.75%, 10/01/20	United States	9,200,000	10,051,000

Franklin High Income Trust

Statement of Investments, May 31, 2013 *(continued)*

Franklin High Income Fund	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Consumer Services (continued)			
Pinnacle Entertainment Inc.,			
senior note, 8.625%, 8/01/17	United States	16,800,000	$ 17,640,000
senior sub. note, 7.75%, 4/01/22	United States	3,650,000	3,996,750
[d] Seminole Hard Rock Entertainment Inc./International LLC, senior note, 144A, 5.875%, 5/15/21	United States	8,600,000	8,562,375
[d] Shingle Springs Tribal Gaming Authority, senior note, 144A, 9.375%, 6/15/15	United States	18,000,000	18,090,000
			223,432,875
Diversified Financials 4.4%			
Ally Financial Inc., senior note,			
5.50%, 2/15/17	United States	15,000,000	16,126,905
7.50%, 9/15/20	United States	31,700,000	37,128,625
[h] Bank of America Corp., pfd., sub. bond, M, 8.125% to 5/15/18, FRN thereafter, Perpetual	United States	65,000,000	74,831,250
CNH Capital LLC, senior note, 3.875%, 11/01/15	United States	10,000,000	10,275,000
E*TRADE Financial Corp., senior note, 6.375%, 11/15/19	United States	22,500,000	23,737,500
[d] General Motors Financial Co. Inc.,			
senior bond, 144A, 4.25%, 5/15/23	United States	11,200,000	10,948,000
senior note, 144A, 3.25%, 5/15/18	United States	5,800,000	5,763,750
GMAC Inc., sub. note, 8.00%, 12/31/18	United States	10,000,000	11,750,000
International Lease Finance Corp.,			
senior note, 5.65%, 6/01/14	United States	7,900,000	8,216,000
[d] senior secured note, 144A, 6.75%, 9/01/16	United States	17,600,000	19,998,000
[d] Neuberger Berman Group LLC/Finance Corp., senior note, 144A,			
5.625%, 3/15/20	United States	6,700,000	7,135,500
5.875%, 3/15/22	United States	15,000,000	16,050,000
[d] Nuveen Investments Inc., senior note, 144A,			
9.125%, 10/15/17	United States	10,000,000	10,550,000
9.50%, 10/15/20	United States	25,300,000	27,260,750
			279,771,280
Energy 26.3%			
Access Midstream Partner LP/ACMP Finance Corp., senior note,			
5.875%, 4/15/21	United States	10,000,000	10,650,000
4.875%, 5/15/23	United States	25,000,000	24,812,500
Antero Resources Finance Corp., senior note,			
9.375%, 12/01/17	United States	10,000,000	10,775,000
7.25%, 8/01/19	United States	5,200,000	5,642,000
BreitBurn Energy Partners LP/Finance Corp., senior bond, 7.875%, 4/15/22	United States	25,000,000	27,250,000
Calumet Specialty Products Partners LP/Finance Corp., senior note,			
9.375%, 5/01/19	United States	17,400,000	19,444,500
[d] 144A, 9.625%, 8/01/20	United States	13,900,000	15,846,000
Carrizo Oil & Gas Inc., senior note,			
8.625%, 10/15/18	United States	24,200,000	26,499,000
7.50%, 9/15/20	United States	10,100,000	10,958,500

Franklin High Income Trust

Statement of Investments, May 31, 2013 *(continued)*

Franklin High Income Fund	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Energy (continued)			
CGG, senior note,			
9.50%, 5/15/16	France	5,600,000	$ 5,922,000
7.75%, 5/15/17	France	6,800,000	7,021,000
6.50%, 6/01/21	France	25,000,000	26,250,000
Chaparral Energy Inc., senior note,			
9.875%, 10/01/20	United States	15,000,000	17,250,000
8.25%, 9/01/21	United States	10,000,000	11,100,000
7.625%, 11/15/22	United States	6,700,000	7,269,500
CHC Helicopter SA,			
[d] senior note, 144A, 9.375%, 6/01/21	Canada	11,300,000	11,624,875
senior secured note, first lien, 9.25%, 10/15/20	Canada	50,000,000	53,812,500
Chesapeake Energy Corp., senior note,			
9.50%, 2/15/15	United States	5,000,000	5,600,000
6.625%, 8/15/20	United States	50,000,000	55,875,000
6.125%, 2/15/21	United States	5,000,000	5,475,000
5.75%, 3/15/23	United States	12,700,000	13,239,750
Clayton Williams Energy Inc., senior note, 7.75%, 4/01/19	United States	35,000,000	35,962,500
CONSOL Energy Inc., senior note,			
8.00%, 4/01/17	United States	8,300,000	8,922,500
8.25%, 4/01/20	United States	25,000,000	27,750,000
6.375%, 3/01/21	United States	2,600,000	2,730,000
Crosstex Energy LP/Crosstex Energy Finance Corp., senior note,			
8.875%, 2/15/18	United States	20,000,000	21,600,000
7.125%, 6/01/22	United States	10,200,000	10,965,000
[d] Drill Rigs Holdings Inc., secured note, 144A, 6.50%, 10/01/17	United States	26,850,000	27,521,250
Eagle Rock Energy Partners LP/Finance Corp., senior note, 8.375%, 6/01/19	United States	32,000,000	33,680,000
El Paso Corp., senior note, 7.00%, 6/15/17	United States	10,000,000	11,447,630
Energy Transfer Equity LP, senior note, 7.50%, 10/15/20	United States	45,000,000	51,862,500
Energy XXI Gulf Coast Inc., senior note, 9.25%, 12/15/17	United States	28,000,000	31,220,000
Enterprise Products Operating LLC, junior sub. note, 7.034% to 1/15/18, FRN thereafter, 1/15/68	United States	21,100,000	24,500,518
EPL Oil & Gas Inc., senior note,			
8.25%, 2/15/18	United States	1,075,000	1,161,000
[d] 144A, 8.25%, 2/15/18	United States	25,000,000	26,937,500
[d] Expro Finance Luxembourg, senior secured note, 144A, 8.50%, 12/15/16	United Kingdom	40,000,000	42,200,000
Goodrich Petroleum Corp., senior note, 8.875%, 3/15/19	United States	32,000,000	33,040,000
Halcon Resources Corp., senior note,			
9.75%, 7/15/20	United States	20,000,000	20,875,000
8.875%, 5/15/21	United States	15,900,000	16,257,750
[d] Kinder Morgan Finance Co. LLC, senior secured note, 144A, 6.00%, 1/15/18	United States	30,000,000	33,292,650
Kodiak Oil & Gas Corp., senior note,			
8.125%, 12/01/19	United States	20,000,000	22,600,000
[d] 144A, 5.50%, 1/15/21	United States	9,900,000	10,283,625
[d] LBC Tank Terminal Holding Netherlands BV, senior bond, 144A, 6.875%, 5/15/23	Belgium	2,800,000	2,927,750

Franklin High Income Trust

Statement of Investments, May 31, 2013 *(continued)*

Franklin High Income Fund	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Energy (continued)			
Linn Energy LLC/Finance Corp., senior note,			
6.50%, 5/15/19	United States	5,000,000	$ 5,112,500
8.625%, 4/15/20	United States	22,000,000	24,200,000
7.75%, 2/01/21	United States	12,000,000	12,780,000
[d] 144A, 6.25%, 11/01/19	United States	25,000,000	25,312,500
Martin Midstream Partners LP/Martin Midstream Finance Corp., senior note,			
8.875%, 4/01/18	United States	13,134,000	14,184,720
[d] 144A, 7.25%, 2/15/21	United States	26,100,000	27,339,750
[d] Memorial Production Partners LP/Memorial Production Finance Corp., senior note, 144A, 7.625%, 5/01/21	United States	15,600,000	15,756,000
[d] Midstates Petro Inc./LLC, senior note, 144A, 9.25%, 6/01/21	United States	17,200,000	17,135,500
Oasis Petroleum Inc., senior note,			
6.50%, 11/01/21	United States	5,000,000	5,425,000
6.875%, 1/15/23	United States	5,000,000	5,475,000
Offshore Group Investment Ltd.,			
[d] first lien, 144A, 7.125%, 4/01/23	United States	15,100,000	15,666,250
senior secured note, first lien, 7.50%, 11/01/19	United States	31,400,000	34,029,750
PBF Holding Co. LLC, first lien, 8.25%, 2/15/20	United States	40,400,000	44,844,000
Peabody Energy Corp., senior note,			
7.375%, 11/01/16	United States	6,900,000	7,900,500
6.00%, 11/15/18	United States	15,000,000	16,106,250
6.50%, 9/15/20	United States	12,500,000	13,531,250
6.25%, 11/15/21	United States	17,000,000	17,850,000
[d] Penn Virginia Corp., senior note, 144A, 8.50%, 5/01/20	United States	21,300,000	21,353,250
Penn Virginia Resource Partners LP/Finance Corp. II, senior note,			
8.375%, 6/01/20	United States	21,200,000	23,161,000
[d] 144A, 6.50%, 5/15/21	United States	11,900,000	11,974,375
Plains Exploration & Production Co., senior note,			
7.625%, 6/01/18	United States	27,000,000	28,029,510
6.125%, 6/15/19	United States	10,000,000	11,025,000
6.75%, 2/01/22	United States	9,200,000	10,327,000
6.875%, 2/15/23	United States	10,000,000	11,362,500
QEP Resources Inc., senior note,			
5.375%, 10/01/22	United States	25,000,000	25,750,000
5.25%, 5/01/23	United States	11,500,000	11,672,500
QR Energy LP/QRE Finance, senior note, 9.25%, 8/01/20	United States	40,000,000	42,600,000
Quicksilver Resources Inc., senior note,			
8.25%, 8/01/15	United States	20,000,000	20,500,000
9.125%, 8/15/19	United States	15,000,000	15,337,500
[d] Sabine Pass Liquefaction LLC,			
144A, 5.625%, 4/15/23	United States	13,300,000	13,333,250
secured note, 144A, 5.625%, 2/01/21	United States	41,800,000	42,061,250
[d] Samson Investment Co., senior note, 144A, 9.75%, 2/15/20	United States	55,000,000	57,612,500
SandRidge Energy Inc., senior note,			
8.75%, 1/15/20	United States	5,000,000	5,400,000
7.50%, 3/15/21	United States	2,700,000	2,794,500
8.125%, 10/15/22	United States	9,300,000	9,974,250
7.50%, 2/15/23	United States	4,000,000	4,140,000

Franklin High Income Trust

Statement of Investments, May 31, 2013 *(continued)*

Franklin High Income Fund	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Energy (continued)			
SESI LLC, senior note, 6.375%, 5/01/19	United States	11,700,000	$ 12,694,500
Vanguard Natural Resources LLC/Finance Corp., senior note, 7.875%, 4/01/20	United States	33,300,000	35,797,500
W&T Offshore Inc., senior note, 8.50%, 6/15/19	United States	40,700,000	44,464,750
WPX Energy Inc., senior note, 6.00%, 1/15/22	United States	30,000,000	32,475,000
			1,666,543,403
Food & Staples Retailing 0.7%			
[d] Chiquita Brands International Inc./LLC, secured note, 144A, 7.875%, 2/01/21	United States	19,700,000	21,226,750
Rite Aid Corp., senior secured note, 8.00%, 8/15/20	United States	20,000,000	22,600,000
			43,826,750
Food, Beverage & Tobacco 2.1%			
[d] Agrokor DD, senior note, 144A, 8.875%, 2/01/20	Croatia	9,500,000	10,645,938
Constellation Brands Inc., senior note,			
3.75%, 5/01/21	United States	5,500,000	5,376,250
4.25%, 5/01/23	United States	8,000,000	7,880,000
Del Monte Corp., senior note, 7.625%, 2/15/19	United States	55,000,000	57,268,750
JBS USA LLC/Finance Inc., senior note,			
11.625%, 5/01/14	United States	15,000,000	16,162,500
[d] 144A, 8.25%, 2/01/20	United States	32,400,000	35,721,000
			133,054,438
Health Care Equipment & Services 6.0%			
[d] Alere Inc.,			
senior note, 144A, 7.25%, 7/01/18	United States	37,000,000	40,330,000
senior sub. note, 144A, 6.50%, 6/15/20	United States	5,900,000	5,951,625
Aviv Healthcare Properties LP/Aviv Healthcare Capital Corp., senior note, 7.75%, 2/15/19	United States	20,000,000	21,950,000
CHS/Community Health Systems Inc.,			
senior note, 8.00%, 11/15/19	United States	32,500,000	35,912,500
senior note, 7.125%, 7/15/20	United States	13,300,000	14,613,375
senior secured note, 5.125%, 8/15/18	United States	12,700,000	13,271,500
DaVita HealthCare Partners Inc., senior note, 5.75%, 8/15/22	United States	19,300,000	20,651,000
DJO Finance LLC/DJO Finance Corp.,			
second lien, 8.75%, 3/15/18	United States	9,900,000	10,989,000
senior note, 7.75%, 4/15/18	United States	10,000,000	10,400,000
Emergency Medical Services Corp., senior note, 8.125%, 6/01/19	United States	17,800,000	19,491,000
ExamWorks Group Inc., senior note, 9.00%, 7/15/19	United States	20,000,000	22,100,000
HCA Holdings Inc., senior note, 7.75%, 5/15/21	United States	10,000,000	11,075,000
HCA Inc.,			
senior note, 6.50%, 2/15/16	United States	6,300,000	6,961,500
senior note, 8.00%, 10/01/18	United States	5,000,000	5,900,000
senior note, 7.50%, 2/15/22	United States	8,100,000	9,456,750
senior note, 5.875%, 5/01/23	United States	35,000,000	37,100,000
senior secured bond, 7.25%, 9/15/20	United States	4,300,000	4,740,750
senior secured note, 7.875%, 2/15/20	United States	15,000,000	16,387,500
senior secured note, 5.875%, 3/15/22	United States	30,000,000	33,000,000
Hologic Inc., senior note, 6.25%, 8/01/20	United States	13,750,000	14,764,062

Franklin High Income Trust

Statement of Investments, May 31, 2013 *(continued)*

Franklin High Income Fund	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Health Care Equipment & Services (continued)			
MedAssets Inc., senior note, 8.00%, 11/15/18	United States	9,000,000	$ 9,900,000
United Surgical Partners International Inc., senior note, 9.00%, 4/01/20	United States	12,200,000	13,694,500
			378,640,062
Materials 11.1%			
[d] Albea Beauty Holdings SA, first lien, 144A, 8.375%, 11/01/19	United States	19,900,000	20,895,000
ArcelorMittal, senior note, 6.00%, 3/01/21	Luxembourg	20,000,000	20,789,800
[d] Ardagh Packaging Finance PLC,			
senior note, 144A, 9.125%, 10/15/20	Luxembourg	6,100,000	6,832,000
senior secured note, 144A, 7.375%, 10/15/17	Luxembourg	5,000,000	5,469,400
[d] Ardagh Packaging Finance PLC/Ardagh MP Holdings USA Inc.,			
secured note, 144A, 4.875%, 11/15/22	Luxembourg	3,200,000	3,210,000
senior note, 144A, 9.125%, 10/15/20	Luxembourg	12,700,000	13,970,000
senior note, 144A, 7.00%, 11/15/20	Luxembourg	10,400,000	10,705,500
senior secured note, first lien, 144A, 7.375%, 10/15/17	Luxembourg	5,900,000	6,423,625
[d] Ashland Inc., senior note, 144A,			
3.875%, 4/15/18	United States	11,000,000	11,343,750
4.75%, 8/15/22	United States	15,000,000	15,356,250
[d] Barminco Finance Pty. Ltd., senior note, 144A, 9.00%, 6/01/18	Australia	25,700,000	25,543,346
[d] Cemex Finance LLC, senior secured note, 144A, 9.375%, 10/12/22	Mexico	7,100,000	7,987,500
[d] Cemex SAB de CV,			
secured note, 144A, 5.875%, 3/25/19	Mexico	2,200,000	2,197,250
senior secured note, 144A, 9.00%, 1/11/18	Mexico	50,000,000	54,125,000
[d] Eldorado Gold Corp., senior note, 144A, 6.125%, 12/15/20	Canada	25,345,000	25,851,900
Euramax International Inc., senior secured note, 9.50%, 4/01/16	United States	14,100,000	13,888,500
Exopack Holding Corp., senior note, 10.00%, 6/01/18	United States	20,000,000	21,050,000
[d] FMG Resources (August 2006) Pty. Ltd., senior note, 144A,			
7.00%, 11/01/15	Australia	9,200,000	9,539,250
6.00%, 4/01/17	Australia	5,000,000	5,087,500
6.875%, 2/01/18	Australia	25,000,000	25,531,250
8.25%, 11/01/19	Australia	25,000,000	26,500,000
6.875%, 4/01/22	Australia	5,000,000	5,068,750
[d] Ineos Finance PLC, senior secured note, 144A,			
8.375%, 2/15/19	United Kingdom	5,000,000	5,612,500
7.50%, 5/01/20	United Kingdom	8,600,000	9,481,500
[d] Ineos Group Holdings SA, senior note, 144A, 6.125%, 8/15/18	United Kingdom	22,100,000	21,851,375
[d] Inmet Mining Corp., senior note, 144A,			
8.75%, 6/01/20	Canada	46,400,000	50,228,000
7.50%, 6/01/21	Canada	10,000,000	10,225,000
[d] MacDermid Inc., senior sub. note, 144A, 9.50%, 4/15/17	United States	30,000,000	31,106,250
[d] Murray Energy Corp., senior secured note, 144A, 8.625%, 6/15/21	United States	11,800,000	12,242,500
Novelis Inc., senior note,			
8.375%, 12/15/17	Canada	15,000,000	16,275,000
8.75%, 12/15/20	Canada	20,000,000	22,450,000
[d] Orion Engineered Carbons Bondco GmbH, senior secured note, first lien, 144A, 9.625%, 6/15/18	Germany	15,533,000	17,474,625
[d,g] Orion Engineered Carbons Finance & Co. SCA, senior note, 144A, PIK, 9.25%, 8/01/19	Germany	14,100,000	14,452,500

Franklin High Income Trust

Statement of Investments, May 31, 2013 *(continued)*

Franklin High Income Fund	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Materials (continued)			
[d] Rain CII Carbon LLC/Corp., second lien, 144A, 8.25%, 1/15/21	United States	11,600,000	$ 12,470,000
Reynolds Group Issuer Inc./LLC/SA,			
first lien, 5.75%, 10/15/20	United States	23,600,000	24,013,000
senior note, 8.50%, 5/15/18	United States	32,000,000	33,760,000
senior note, 9.00%, 4/15/19	United States	2,300,000	2,426,500
senior note, 9.875%, 8/15/19	United States	7,500,000	8,203,125
senior note, 8.25%, 2/15/21	United States	20,000,000	20,475,000
senior secured note, 7.875%, 8/15/19	United States	10,000,000	11,000,000
[d] Sealed Air Corp., senior note, 144A,			
8.125%, 9/15/19	United States	9,100,000	10,351,250
6.50%, 12/01/20	United States	8,900,000	9,945,750
8.375%, 9/15/21	United States	7,000,000	8,120,000
[d] U.S. Coatings Acquisition Inc./Flash Dutch 2 BV, senior note, 144A, 7.375%, 5/01/21	United States	12,750,000	13,515,000
			703,044,446
Media 6.9%			
AMC Networks Inc., senior note, 7.75%, 7/15/21	United States	11,500,000	13,081,250
[d] Bresnan Broadband Holdings LLC, senior note, 144A, 8.00%, 12/15/18	United States	10,000,000	10,875,000
Cablevision Systems Corp., senior note, 8.625%, 9/15/17	United States	15,000,000	17,550,000
CCO Holdings LLC/CCO Holdings Capital Corp., senior note,			
7.875%, 4/30/18	United States	4,100,000	4,342,146
6.50%, 4/30/21	United States	10,000,000	10,800,000
5.125%, 2/15/23	United States	15,000,000	14,775,000
Clear Channel Communications Inc.,			
[d] first lien, 144A, 11.25%, 3/01/21	United States	15,000,000	16,312,500
senior note, 9.00%, 3/01/21	United States	45,000,000	44,887,500
Clear Channel Worldwide Holdings Inc.,			
[d] senior note, 144A, 6.50%, 11/15/22	United States	3,500,000	3,692,500
[d] senior note, 144A, 6.50%, 11/15/22	United States	6,500,000	6,890,000
senior sub. note, 7.625%, 3/15/20	United States	1,650,000	1,753,125
senior sub. note, 7.625%, 3/15/20	United States	25,000,000	26,687,500
CSC Holdings Inc., senior deb., 7.625%, 7/15/18	United States	5,000,000	5,900,000
CSC Holdings LLC, senior note, 6.75%, 11/15/21	United States	25,000,000	28,125,000
DISH DBS Corp.,			
senior bond, 5.00%, 3/15/23	United States	5,000,000	4,750,000
senior note, 7.125%, 2/01/16	United States	35,000,000	38,500,000
senior note, 6.75%, 6/01/21	United States	5,000,000	5,312,500
senior note, 5.875%, 7/15/22	United States	30,000,000	30,225,000
[d] senior note, 144A, 6.25%, 5/15/23	United States	9,500,000	9,547,500
Media General Inc., senior secured note, 11.75%, 2/15/17	United States	19,900,000	22,288,000
[d] Nara Cable Funding Ltd., senior note, 144A, 8.875%, 12/01/18	Spain	1,600,000	1,707,000
[g] Radio One Inc., senior sub. note, PIK, 12.50%, 5/24/16	United States	22,000,000	22,495,000
[d] Univision Communications Inc.,			
senior secured bond, 144A, 6.75%, 9/15/22	United States	23,850,000	25,758,000
senior secured note, 144A, 6.875%, 5/15/19	United States	20,000,000	21,350,000
senior secured note, 144A, 7.875%, 11/01/20	United States	5,000,000	5,500,000
senior secured note, 144A, 5.125%, 5/15/23	United States	8,000,000	7,880,000

Franklin High Income Trust

Statement of Investments, May 31, 2013 *(continued)*

Franklin High Income Fund	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Media (continued)			
[d] UPCB Finance III Ltd., senior secured note, 144A, 6.625%, 7/01/20	Netherlands	30,000,000	$ 32,100,000
[d] UPCB Finance VI Ltd., senior secured note, 144A, 6.875%, 1/15/22	Netherlands	4,700,000	5,102,437
			438,186,958
Pharmaceuticals, Biotechnology & Life Sciences 2.7%			
Grifols Inc., senior note, 8.25%, 2/01/18	Spain	20,000,000	21,875,000
[d] inVentiv Health Inc., senior note, 144A,			
9.00%, 1/15/18	United States	22,075,000	23,565,063
10.00%, 8/15/18	United States	19,625,000	17,466,250
[d,g] Jaguar Holding Co. I, senior note, 144A, PIK, 9.375%, 10/15/17	United States	25,090,000	27,034,475
[d] Jaguar Holding Co. II/Merger Sub Inc., senior note, 144A, 9.50%, 12/01/19	United States	9,200,000	10,545,500
[d] Par Pharmaceutical Cos. Inc., senior note, 144A, 7.375%, 10/15/20	United States	23,550,000	25,139,625
[d] VPI Escrow Corp., senior note, 144A, 6.375%, 10/15/20	United States	42,600,000	44,943,000
			170,568,913
Real Estate 0.3%			
CB Richard Ellis Services Inc., senior bond, 5.00%, 3/15/23	United States	17,200,000	17,243,000
Retailing 0.8%			
[d] Academy Ltd./Finance Corp., senior note, 144A, 9.25%, 8/01/19	United States	15,000,000	16,875,000
Michael's Stores Inc., senior note, 7.75%, 11/01/18	United States	15,000,000	16,350,000
[d] New Look Bondco I PLC, secured note, 144A, 8.375%, 5/14/18	United Kingdom	15,400,000	15,274,875
			48,499,875
Semiconductors & Semiconductor Equipment 1.6%			
Freescale Semiconductor Inc.,			
senior note, 8.05%, 2/01/20	United States	35,000,000	37,625,000
senior note, 10.75%, 8/01/20	United States	11,610,000	13,177,350
[d] senior secured note, 144A, 9.25%, 4/15/18	United States	15,000,000	16,387,500
[d] NXP BV/NXP Funding LLC,			
senior bond, 144A, 5.75%, 3/15/23	Netherlands	7,300,000	7,610,250
senior note, 144A, 5.75%, 2/15/21	Netherlands	25,000,000	26,375,000
			101,175,100
Software & Services 3.4%			
[d] Ceridian Corp., secured note, 144A, 8.875%, 7/15/19	United States	15,000,000	17,175,000
Equinix Inc.,			
senior bond, 5.375%, 4/01/23	United States	29,100,000	30,191,250
senior note, 4.875%, 4/01/20	United States	7,800,000	7,975,500
First Data Corp.,			
senior bond, 12.625%, 1/15/21	United States	35,000,000	38,412,500
[d] senior note, 144A, 11.25%, 1/15/21	United States	15,000,000	15,412,500
[d] senior secured bond, 144A, 8.25%, 1/15/21	United States	37,000,000	39,405,000
Sitel LLC/Finance Corp.,			
senior note, 11.50%, 4/01/18	United States	3,300,000	2,491,500
[d] senior secured note, 144A, 11.00%, 8/01/17	United States	10,000,000	10,800,000

Franklin High Income Trust

Statement of Investments, May 31, 2013 *(continued)*

Franklin High Income Fund	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Software & Services (continued)			
Sterling International Inc., senior note, 11.00%, 10/01/19	United States	12,825,000	$ 13,722,750
West Corp., senior note, 7.875%, 1/15/19	United States	39,200,000	42,679,000
			218,265,000
Technology Hardware & Equipment 1.3%			
CDW LLC/Finance Corp., senior note, 8.50%, 4/01/19	United States	32,325,000	35,921,156
[d,g] CommScope Holdings Inc., senior note, 144A, PIK, 6.625%, 6/01/20	United States	11,200,000	11,116,000
[d] CommScope Inc., senior note, 144A, 8.25%, 1/15/19	United States	30,000,000	33,000,000
			80,037,156
Telecommunication Services 9.2%			
CenturyLink Inc., senior note, 5.80%, 3/15/22	United States	40,000,000	41,100,000
Cricket Communications Inc., senior note, 7.75%, 10/15/20	United States	40,000,000	40,100,000
Crown Castle International Corp., senior bond,			
7.125%, 11/01/19	United States	1,500,000	1,635,000
5.25%, 1/15/23	United States	15,400,000	15,650,250
[d] Digicel Group Ltd., senior note, 144A, 8.25%, 9/30/20	Bermuda	31,600,000	34,009,500
[d] Digicel Ltd., senior note, 144A, 6.00%, 4/15/21	Bermuda	24,400,000	24,354,250
[d] eAccess Ltd., senior note, 144A, 8.25%, 4/01/18	Japan	25,000,000	28,125,000
Frontier Communications Corp.,			
senior bond, 7.625%, 4/15/24	United States	8,100,000	8,525,250
senior note, 8.50%, 4/15/20	United States	22,000,000	25,300,000
senior note, 8.75%, 4/15/22	United States	10,000,000	11,325,000
senior note, 7.125%, 1/15/23	United States	10,000,000	10,487,500
Intelsat Jackson Holdings SA,			
[d,e] senior bond, 144A, 5.50%, 8/01/23	Luxembourg	15,000,000	14,793,750
senior note, 7.25%, 10/15/20	Luxembourg	20,100,000	21,883,875
senior note, 7.50%, 4/01/21	Luxembourg	35,000,000	38,631,250
[d] senior note, 144A, 6.625%, 12/15/22	Luxembourg	24,800,000	26,040,000
Intelsat Luxembourg SA, senior note, 11.25%, 2/04/17	Luxembourg	3,412,000	3,614,161
[d] Lynx I Corp., first lien, 144A, 5.375%, 4/15/21	United Kingdom	13,400,000	13,927,625
[d] Lynx II Corp., senior bond, 144A, 6.375%, 4/15/23	United Kingdom	1,500,000	1,571,250
MetroPCS Wireless Inc., senior note, 7.875%, 9/01/18	United States	3,600,000	3,942,000
[b,f] RSL Communications PLC,			
senior discount note, 10.125%, 3/01/08	United Kingdom	44,500,000	489,500
senior note, 12.00%, 11/01/08	United Kingdom	6,250,000	87,500
Sprint Nextel Corp., senior note,			
8.375%, 8/15/17	United States	40,000,000	46,300,000
6.00%, 11/15/22	United States	7,500,000	7,762,500
[d] 144A, 9.00%, 11/15/18	United States	60,000,000	72,900,000
[d] 144A, 7.00%, 3/01/20	United States	9,800,000	11,049,500
[d] Wind Acquisition Finance SA, senior secured note, 144A, 11.75%, 7/15/17	Italy	50,000,000	52,906,250
[d,g] Wind Acquisition Holdings Finance SA, senior secured note, 144A, PIK, 12.25%,			
7/15/17	Italy	7,211,635 EUR	9,511,932
7/15/17	Italy	4,780,937	4,840,565

Franklin High Income Trust

Statement of Investments, May 31, 2013 *(continued)*

Franklin High Income Fund	Country	Principal Amount*	Value
Corporate Bonds (continued)			
Telecommunication Services (continued)			
Zayo Group LLC/Zayo Capital Inc., senior secured note, first lien, 8.125%, 1/01/20	United States	13,200,000	$ 14,718,000
			585,581,408
Transportation 1.3%			
[c] CEVA Group PLC, senior note, first lien, 144A, 4.00%, 5/01/18	United Kingdom	16,500,000	14,355,000
HDTFS Inc., senior note, 5.875%, 10/15/20	United States	4,500,000	4,770,000
Hertz Corp., senior note,			
7.50%, 10/15/18	United States	15,000,000	16,387,500
6.75%, 4/15/19	United States	26,800,000	29,245,500
Marquette Transportation Co. Inc./Finance Corp., senior secured note, 10.875%, 1/15/17	United States	15,000,000	16,312,500
			81,070,500
Utilities 2.4%			
[d] Calpine Corp., senior secured note, 144A,			
7.875%, 7/31/20	United States	9,010,000	9,956,050
7.50%, 2/15/21	United States	20,762,000	22,630,580
7.875%, 1/15/23	United States	8,974,000	9,916,270
[d] Intergen NV, senior secured note, 144A, 9.00%, 6/30/17	Netherlands	40,000,000	41,250,000
[d] Texas Competitive Electric Holdings Co. LLC/Texas Competitive Electric Holdings Finance Inc., senior secured note, 144A, 11.50%, 10/01/20	United States	62,175,000	49,118,250
[d] Viridian Group FundCo II, senior note, 144A, 11.125%, 4/01/17	United Kingdom	20,000,000	21,337,500
			154,208,650
Total Corporate Bonds (Cost $5,674,099,285)			6,013,442,952
[i,j] **Senior Floating Rate Interests 1.3%**			
Capital Goods 0.2%			
Navistar Inc., Tranche B Term Loan, 5.75%, 8/17/17	United States	11,747,428	11,982,377
Household & Personal Products 0.7%			
Sun Products Corp., Tranche B Term Loan, 5.50%, 3/23/20	United States	42,600,000	43,012,709
Media 0.2%			
Cumulus Media Holdings Inc., Second Lien Term Loan, 7.50%, 9/16/19	United States	15,000,000	15,612,495
Utilities 0.2%			
Texas Competitive Electric Holdings Co. LLC, 2017 Term Loan, 4.699% - 4.775%, 10/10/17	United States	19,083,845	13,889,470
Total Senior Floating Rate Interests (Cost $84,544,198)			84,497,051
Total Investments before Short Term Investments (Cost $5,810,142,771)			6,129,456,486

Franklin High Income Trust

Statement of Investments, May 31, 2013 *(continued)*

Franklin High Income Fund	Country	Shares	Value
Short Term Investments (Cost $154,699,188) 2.4%			
Money Market Funds 2.4%			
[a,k] Institutional Fiduciary Trust Money Market Portfolio	United States	154,699,188	$ 154,699,188
Total Investments (Cost $5,964,841,959) 99.0%			6,284,155,674
Other Assets, less Liabilities 1.0%			62,019,633
Net Assets 100.0%			$6,346,175,307

[†]Rounds to less than 0.1% of net assets.

[*]The principal amount is stated in U.S. dollars unless otherwise indicated.

[a]Non-income producing.

[b]Security has been deemed illiquid because it may not be able to be sold within seven days. At May 31, 2013, the aggregate value of these securities was $772,145, representing 0.01% of net assets.

[c]See Note 9 regarding restricted securities.

[d]Security was purchased pursuant to Rule 144A under the Securities Act of 1933 and may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. These securities have been deemed liquid under guidelines approved by the Trust's Board of Trustees. At May 31, 2013, the aggregate value of these securities was $2,395,375,689, representing 37.75% of net assets.

[e]Security purchased on a when-issued basis. See Note 1(c).

[f]See Note 8 regarding defaulted securities.

[g]Income may be received in additional securities and/or cash.

[h]Perpetual security with no stated maturity date.

[i]See Note 1(f) regarding senior floating rate interests.

[j]The coupon rate shown represents the rate at period end.

[k]See Note 7 regarding investments in the Institutional Fiduciary Trust Money Market Portfolio.

At May 31, 2013, the Fund had the following forward exchange contracts outstanding. See Note 1(d).

Forward Exchange Contracts

Currency	Counterparty	Type	Quantity	Contract Amount	Settlement Date	Unrealized Appreciation	Unrealized Depreciation
Euro	DBAB	Sell	4,700,000	$6,207,290	12/18/13	$90,979	$ —
Euro	DBAB	Sell	2,575,000	3,315,570	4/04/14	—	(38,914)
Unrealized appreciation (depreciation)						90,979	(38,914)
Net unrealized appreciation (depreciation)						$52,065	

Franklin High Income Trust

Statement of Investments, May 31, 2013 *(continued)*

Franklin High Income Fund

At May 31, 2013, the Fund had the following credit default swaps contracts outstanding. See Note 1(d).

Credit Default Swap Contracts

Description	Counterparty[a]	Notional Amount[b]	Periodic Payment Rate	Expiration Date	Upfront Premiums Paid/ (Received)	Unrealized Appreciation	Unrealized Depreciation	Market Value	Rating[c]
Contracts to Sell Protection[d]									
Traded Index									
CDX.NA.HY.20	BZWS	$15,000,000	5.00%	6/20/18	$ 770,268	$ 142,422	$ —	$ 912,690	Non Investment Grade
CDX.NA.HY.20	FBCO	$50,000,000	5.00%	6/20/18	1,414,686	1,627,616	—	3,042,302	Non Investment Grade
Net unrealized appreciation (depreciation)						$1,770,038			

[a]Positions are generally not collateralized if the market value is under $250,000. Collateral requirements may be net of current positions at the individual counterparty for the fund. The table below summarizes the cash and/or securities held as collateral for each applicable counterparty at period end:

Counterparty	Collateral Posted (Received)
BZWS	$(1,110,000)
FBCO	(3,414,749)
Total collateral for credit default swaps	$(4,524,749)

[b]For contracts to sell protection, the notional amount is equal to the maximum potential amount of the future payments and no recourse provisions have been entered into in association with the contracts.

[c]Based on Standard and Poor's (S&P) Rating for single name swaps and internal ratings for index swaps. Internal ratings based on mapping into equivalent ratings from external vendors.

[d]The fund enters contracts to sell protection to create a long credit position. Performance triggers include default, bankruptcy or restructuring for single name swaps, and failure to pay or bankruptcy for traded index swaps.

See Abbreviations on page 52.

Franklin High Income Trust

Financial Statements

Statement of Assets and Liabilities

May 31, 2013

	Franklin High Income Fund
Assets:	
Investments in securities:	
Cost - Unaffiliated issuers	$5,810,142,771
Cost - Sweep Money Fund (Note 7)	154,699,188
Total cost of investments	$5,964,841,959
Value - Unaffiliated issuers	$6,129,456,486
Value - Sweep Money Fund (Note 7)	154,699,188
Total value of investments	6,284,155,674
Cash	292,292
Restricted cash (Note 1e)	1,240,000
Foreign currency, at value (cost $701)	699
Receivables:	
Investment securities sold	8,447,655
Capital shares sold	13,692,743
Interest	109,017,741
Swaps (premiums paid $2,117,580)	2,184,954
Unrealized appreciation on forward exchange contracts	90,979
Unrealized appreciation on swap contracts	1,770,038
Other assets	1,948
Total assets	6,420,894,723
Liabilities:	
Payables:	
Investment securities purchased	39,978,236
Capital shares redeemed	27,834,318
Affiliates	3,784,262
Due to brokers	1,240,000
Unrealized depreciation on forward exchange contracts	38,914
Unrealized depreciation on unfunded commitments (Note 10)	369,030
Accrued expenses and other liabilities	1,474,656
Total liabilities	74,719,416
Net assets, at value	$6,346,175,307
Net assets consist of:	
Paid-in capital	$6,356,524,348
Distributions in excess of net investment income	(8,741,956)
Net unrealized appreciation (depreciation)	320,781,065
Accumulated net realized gain (loss)	(322,388,150)
Net assets, at value	$6,346,175,307

Franklin High Income Trust

Financial Statements *(continued)*

Statement of Assets and Liabilities *(continued)*

May 31, 2013

	Franklin High Income Fund
Class A:	
Net assets, at value	$3,920,619,325
Shares outstanding	1,853,471,515
Net asset value per share[a]	$2.12
Maximum offering price per share (net asset value per share ÷ 95.75%)	$2.21
Class C:	
Net assets, at value	$ 814,757,104
Shares outstanding	381,893,558
Net asset value and maximum offering price per share[a]	$2.13
Class R:	
Net assets, at value	$ 335,335,483
Shares outstanding	156,470,605
Net asset value and maximum offering price per share	$2.14
Class R6	
Net assets, at value	$ 297,510
Shares outstanding	140,454
Net asset value and maximum offering price per share	$2.12
Advisor Class:	
Net assets, at value	$1,275,165,885
Shares outstanding	602,081,883
Net asset value and maximum offering price per share	$2.12

[a]Redemption price is equal to net asset value less contingent deferred sales charges, if applicable.

Franklin High Income Trust

Financial Statements *(continued)*

Statement of Operations
for the year ended May 31, 2013

	Franklin High Income Fund
Investment income:	
Dividends	$ 918,253
Interest	423,556,522
Total investment income	424,474,775
Expenses:	
Management fees (Note 3a)	26,552,619
Distribution fees: (Note 3c)	
Class A	5,380,282
Class B	24,994
Class C	4,652,261
Class R	1,533,044
Transfer agent fees: (Note 3e)	
Class A	4,796,104
Class B	4,873
Class C	958,482
Class R	409,933
Class R6	2
Advisor Class	1,632,048
Special servicing agreement fees (Note 12)	61,945
Custodian fees (Note 4)	125,090
Reports to shareholders	519,864
Registration and filing fees	396,309
Professional fees	131,556
Trustees' fees and expenses	130,696
Other	119,908
Total expenses	47,430,010
Expense reductions	(12)
Net expenses	47,429,998
Net investment income	377,044,777
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments	73,248,612
Foreign currency transactions	118,010
Swap contracts	11,661,529
Net realized gain (loss)	85,028,151
Net change in unrealized appreciation (depreciation) on:	
Investments	321,955,567
Translation of other assets and liabilities denominated in foreign currencies	(625,642)
Net change in unrealized appreciation (depreciation)	321,329,925
Net realized and unrealized gain (loss)	406,358,076
Net increase (decrease) in net assets resulting from operations	$783,402,853

Franklin High Income Trust

Financial Statements *(continued)*

Statements of Changes in Net Assets

	Franklin High Income Fund	
	Year Ended May 31,	
	2013	2012
Increase (decrease) in net assets:		
Operations:		
Net investment income	$ 377,044,777	$ 284,502,249
Net realized gain (loss) from investments, foreign currency transactions and swap contracts	85,028,151	(23,135,604)
Net change in unrealized appreciation (depreciation) on investments and translation of other assets and liabilities denominated in foreign currencies	321,329,925	(116,294,510)
Net increase (decrease) in net assets resulting from operations	783,402,853	145,072,135
Distributions to shareholders from:		
Net investment income:		
Class A	(242,165,001)	(202,846,145)
Class B	(278,847)	(1,285,418)
Class C	(44,273,436)	(34,997,651)
Class R	(19,276,547)	(15,975,223)
Advisor Class	(83,986,514)	(41,357,353)
Total distributions to shareholders	(389,980,345)	(296,461,790)
Capital share transactions: (Note 2)		
Class A	699,036,421	336,975,147
Class B	(9,794,432)	(18,437,668)
Class C	186,459,485	106,703,674
Class R	50,958,420	62,265,412
Class R6	300,234	—
Advisor Class	335,042,987	509,304,028
Total capital share transactions	1,262,003,115	996,810,593
Net increase (decrease) in net assets	1,655,425,623	845,420,938
Net assets:		
Beginning of year	4,690,749,684	3,845,328,746
End of year	$6,346,175,307	$4,690,749,684
Distributions in excess of net investment income included in net assets:		
End of year	$ (8,741,956)	$ (4,801,375)

Franklin High Income Trust

Notes to Financial Statements

Franklin High Income Fund

1. Organization and Significant Accounting Policies

Franklin High Income Trust (Trust) is registered under the Investment Company Act of 1940, as amended, (1940 Act) as an open-end investment company, consisting of one fund, the Franklin High Income Fund (Fund). The Fund offers five classes of shares: Class A, Class C, Class R, Class R6, and Advisor Class. Effective May 1, 2013, the Fund began offering a new class of shares, Class R6. Effective March 21, 2013, all Class B shares were converted to Class A. Each class of shares differs by its initial sales load, contingent deferred sales charges, voting rights on matters affecting a single class, its exchange privilege and fees primarily due to differing arrangements for distribution and transfer agent fees.

The following summarizes the Fund's significant accounting policies.

a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. Under procedures approved by the Trust's Board of Trustees (the Board), the Fund's administrator, investment manager and other affiliates have formed the Valuation and Liquidity Oversight Committee (VLOC). The VLOC provides administration and oversight of the Fund's valuation policies and procedures, which are approved annually by the Board. Among other things, these procedures allow the Fund to utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or the NYSE, whichever is earlier. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at the close of the NYSE on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities. Investments in open-end mutual funds are valued at the closing net asset value.

Debt securities generally trade in the OTC market rather than on a securities exchange. The Fund's pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves,

Franklin High Income Fund

1. Organization and Significant Accounting Policies *(continued)*

a. Financial Instrument Valuation *(continued)*

credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value. Securities denominated in a foreign currency are converted into their U.S. dollar equivalent at the foreign exchange rate in effect at the close of the NYSE on the date that the values of the foreign debt securities are determined.

Certain derivative financial instruments (derivatives) trade in the OTC market. The Fund's pricing services use various techniques including industry standard option pricing models and proprietary discounted cash flow models to determine the fair value of those instruments. The Fund's net benefit or obligation under the derivative contract, as measured by the fair market value of the contract, is included in net assets.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the VLOC convenes on a regular basis to review such financial instruments and considers a number of factors, including significant unobservable valuation inputs, when arriving at fair value. The VLOC primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, book values, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed. The VLOC employs various methods for calibrating these valuation approaches including a regular review of key inputs and assumptions, transactional back-testing or disposition analysis, and reviews of any related market activity.

Trading in securities on foreign securities stock exchanges and OTC markets may be completed before the daily close of business on the NYSE. Occasionally, events occur between the time at which trading in a foreign security is completed and the close of the NYSE that might call into question the reliability of the value of a portfolio security held by the Fund. As a result, differences may arise between the value of the Fund's portfolio securities as determined at the foreign market close and the latest indications of value at the close of the NYSE. In order to minimize the potential for these differences, the VLOC monitors price movements following the close of trading in foreign stock markets through a series of country specific market proxies (such as baskets of American Depositary Receipts, futures contracts and exchange traded funds). These price movements are measured against established trigger thresholds for each specific market

Franklin High Income Fund

1. Organization and Significant Accounting Policies *(continued)*

a. Financial Instrument Valuation *(continued)*

proxy to assist in determining if an event has occurred that may call into question the reliability of the values of the foreign securities held by the Fund. If such an event occurs, the securities may be valued using fair value procedures, which may include the use of independent pricing services.

In addition, certain foreign markets may be open on days that the NYSE is closed, which could result in differences between the value of the Fund's portfolio securities on the last business day and the last calendar day of the reporting period. Any significant security valuation changes due to an open foreign market are adjusted and reflected by the Fund for financial reporting purposes.

b. Foreign Currency Translation

Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars based on the exchange rate of such currencies against U.S. dollars on the date of valuation. The Fund may enter into foreign currency exchange contracts to facilitate transactions denominated in a foreign currency. Purchases and sales of securities, income and expense items denominated in foreign currencies are translated into U.S. dollars at the exchange rate in effect on the transaction date. Portfolio securities and assets and liabilities denominated in foreign currencies contain risks that those currencies will decline in value relative to the U.S. dollar. Occasionally, events may impact the availability or reliability of foreign exchange rates used to convert the U.S. dollar equivalent value. If such an event occurs, the foreign exchange rate will be valued at fair value using procedures established and approved by the Board.

The Fund does not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in net realized and unrealized gain or loss from investments on the Statement of Operations.

Realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the recorded amounts of dividends, interest, and foreign withholding taxes and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in foreign exchange rates on foreign denominated assets and liabilities other than investments in securities held at the end of the reporting period.

c. Securities Purchased on a When-Issued Basis

The Fund purchases securities on a when-issued basis, with payment and delivery scheduled for a future date. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Fund will generally purchase these securities with the intention of holding the securities, it may sell the securities before the settlement date. Sufficient assets have been segregated for these securities.

Franklin High Income Fund

1. Organization and Significant Accounting Policies *(continued)*

d. Derivative Financial Instruments

The Fund invested in derivatives in order to manage risk or gain exposure to various other investments or markets. Derivatives are financial contracts based on an underlying or notional amount, require no initial investment or an initial net investment that is smaller than would normally be required to have a similar response to changes in market factors, and require or permit net settlement. Derivatives contain various risks including the potential inability of the counterparty to fulfill their obligations under the terms of the contract, the potential for an illiquid secondary market, and/or the potential for market movements which expose the Fund to gains or losses in excess of the amounts shown on the Statement of Assets and Liabilities. Realized gain and loss and unrealized appreciation and depreciation on these contracts for the period are included in the Statement of Operations.

The Fund's investments in OTC derivatives are subject to the terms of International Swaps and Derivatives Association Master Agreements and other related agreements between the Fund and certain derivative counterparties. These agreements contain various provisions, including but not limited to collateral requirements, events of default, requirements for the Fund to maintain certain net asset levels and/or limit the decline in net assets over various periods of time. Should the Fund fail to meet any of these provisions, the derivative counterparty has the right to terminate the derivative contract and require immediate payment by the Fund for those OTC derivatives with that particular counterparty that are in a net liability position. At May 31, 2013, the Fund had no OTC derivatives in a net liability position for such contracts.

The Fund entered into OTC forward exchange contracts primarily to manage and/or gain exposure to certain foreign currencies. A forward exchange contract is an agreement between the Fund and a counterparty to buy or sell a foreign currency at a specific exchange rate on a future date. Pursuant to the terms of the forward exchange contracts, cash or securities may be required to be deposited as collateral. Unrestricted cash may be invested according to the Fund's investment objectives.

The Fund entered into OTC credit default swap contracts primarily to manage exposure to credit risk. A credit default swap is an agreement between the Fund and a counterparty whereby the buyer of the contract receives credit protection and the seller of the contract guarantees the credit worthiness of a referenced debt obligation. The underlying referenced debt obligation may be a single issuer of corporate or sovereign debt, a credit index, or a tranche of a credit index. In the event of a default of the underlying referenced debt obligation, the buyer is entitled to receive the notional amount of the credit default swap contract from the seller in exchange for the referenced debt obligation, a net settlement amount equal to the notional amount of the credit default swap less the recovery value of the referenced debt obligation, or other agreed upon amount. Over the

Franklin High Income Fund

1. Organization and Significant Accounting Policies *(continued)*

d. Derivative Financial Instruments *(continued)*

term of the contract, the buyer pays the seller a periodic stream of payments, provided that no event of default has occurred. Such periodic payments are accrued daily as an unrealized appreciation or depreciation until the payments are made, at which time they are realized. Payments received or paid to initiate a credit default swap contract are reflected on the Statement of Assets and Liabilities and represent compensating factors between stated terms of the credit default swap agreement and prevailing market conditions (credit spreads and other relevant factors). These upfront payments are amortized over the term of the contract as a realized gain or loss on the Statement of Operations. Pursuant to the terms of the credit default swap contract, cash or securities may be required to be deposited as collateral. Unrestricted cash may be invested according to the Fund's investment objectives.

At May 31, 2013, the Fund held $3,414,749 in U.S. treasury bonds and notes as collateral for derivatives.

See Note 11 regarding other derivative information.

e. Restricted Cash

At May 31, 2013, the Fund held restricted cash in connection with investments in certain derivative securities. Restricted cash is held in a segregated account with the Fund's custodian and is reflected in the Statement of Assets and Liabilities.

f. Senior Floating Rate Interests

The Fund invests in senior secured corporate loans that pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. These base lending rates are generally the prime rate offered by a designated U.S. bank or the London InterBank Offered Rate (LIBOR). Senior secured corporate loans often require prepayment of principal from excess cash flows or at the discretion of the borrower. As a result, actual maturity may be substantially less than the stated maturity.

Senior secured corporate loans in which the Fund invests are generally readily marketable, but may be subject to some restrictions on resale.

g. Income and Deferred Taxes

It is the Fund's policy to qualify as a regulated investment company under the Internal Revenue Code. The Fund intends to distribute to shareholders substantially all of its taxable income and net realized gains to relieve it from federal income and excise taxes. As a result, no provision for U.S. federal income taxes is required.

Franklin High Income Fund

1. Organization and Significant Accounting Policies *(continued)*

g. Income and Deferred Taxes *(continued)*

The Fund may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Fund invests. When a capital gain tax is determined to apply the Fund records an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date.

The Fund recognizes the tax benefits of uncertain tax positions only when the position is "more likely than not" to be sustained upon examination by the tax authorities based on the technical merits of the tax position. As of May 31, 2013, and for all open tax years, the Fund has determined that no liability for unrecognized tax benefits is required in the Fund's financial statements related to uncertain tax positions taken on a tax return (or expected to be taken on future tax returns). Open tax years are those that remain subject to examination and are based on each tax jurisdiction statute of limitation.

h. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Facility fees are recognized as income over the expected term of the loan. Dividend income is recorded on the ex-dividend date except that certain dividends from foreign securities are recognized as soon as the Fund is notified of the ex-dividend date. Distributions to shareholders are recorded on the ex-dividend date and are determined according to income tax regulations (tax basis). Distributable earnings determined on a tax basis may differ from earnings recorded in accordance with accounting principles generally accepted in the United States of America. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Realized and unrealized gains and losses and net investment income, not including class specific expenses, are allocated daily to each class of shares based upon the relative proportion of net assets of each class. Differences in per share distributions, by class, are generally due to differences in class specific expenses.

Franklin High Income Fund

1. Organization and Significant Accounting Policies *(continued)*

i. Accounting Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

j. Guarantees and Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Fund, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

2. Shares of Beneficial Interest

At May 31, 2013, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Year Ended May 31,			
	2013		2012	
	Shares	Amount	Shares	Amount
Class A Shares:				
Shares sold	622,435,733	$1,280,981,385	476,347,788	$ 938,475,175
Shares issued in reinvestment of distributions	96,816,904	199,126,169	81,344,299	159,926,934
Shares redeemed	(376,499,945)	(781,071,133)	(385,911,819)	(761,426,962)
Net increase (decrease)	342,752,692	$ 699,036,421	171,780,268	$ 336,975,147
Class B Shares[a]:				
Shares sold	201,711	$ 407,892	932,785	$ 1,824,069
Shares issued in reinvestment of distributions	115,939	233,086	536,888	1,053,726
Shares redeemed	(5,094,423)	(10,435,410)	(10,871,525)	(21,315,463)
Net increase (decrease)	(4,776,773)	$ (9,794,432)	(9,401,852)	$ (18,437,668)
Class C Shares:				
Shares sold	143,443,413	$ 299,176,546	98,849,380	$ 196,656,217
Shares issued in reinvestment of distributions	17,913,496	37,186,822	14,624,088	29,002,825
Shares redeemed	(71,634,417)	(149,903,883)	(60,085,331)	(118,955,368)
Net increase (decrease)	89,722,492	$ 186,459,485	53,388,137	$ 106,703,674

Franklin High Income Fund

2. Shares of Beneficial Interest *(continued)*

	Year Ended May 31, 2013		Year Ended May 31, 2012	
	Shares	Amount	Shares	Amount
Class R Shares:				
Shares sold	55,407,331	$ 116,057,410	55,783,829	$ 111,445,847
Shares issued in reinvestment of distributions	9,105,704	18,968,143	7,907,225	15,743,093
Shares redeemed	(40,021,262)	(84,067,133)	(32,605,556)	(64,923,528)
Net increase (decrease)	24,491,773	$ 50,958,420	31,085,498	$ 62,265,412
Class R6 Shares[b]:				
Shares sold	140,454	300,234		
Net increase (decrease)	140,454	$ 300,234		
Advisor Class Shares:				
Shares sold	363,525,043	$ 745,142,369	337,512,759	$ 665,191,211
Shares issued in reinvestment of distributions	31,432,059	64,797,975	14,650,032	28,913,989
Shares redeemed	(227,260,168)	(474,897,357)	(93,980,994)	(184,801,172)
Net increase (decrease)	167,696,934	$ 335,042,987	258,181,797	$ 509,304,028

[a]Effective March 21, 2013, all Class B shares were converted to Class A.

[b]For the period May 1, 2013 (effective date) to May 31, 2013.

3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton Investments. Certain officers and trustees of the Fund are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Advisers, Inc. (Advisers)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Templeton Distributors, Inc. (Distributors)	Principal underwriter
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

Franklin High Income Fund

3. Transactions with Affiliates *(continued)*

a. Management Fees

The Fund pays an investment management fee to Advisers based on the month-end net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.625%	Up to and including $100 million
0.500%	Over $100 million, up to and including $250 million
0.450%	Over $250 million, up to and including $7.5 billion
0.440%	Over $7.5 billion, up to and including $10 billion
0.430%	Over $10 billion, up to and including $12.5 billion
0.420%	Over $12.5 billion, up to and including $15 billion
0.400%	Over $15 billion, up to and including $17.5 billion
0.380%	Over $17.5 billion, up to and including $20 billion
0.360%	Over $20 billion, up to and including $35 billion
0.355%	Over $35 billion, up to and including $50 billion
0.350%	In excess of $50 billion

b. Administrative Fees

FT Services, under terms of an agreement, provides administrative services to the Fund and is not paid by the Fund for the services.

c. Distribution Fees

The Board has adopted distribution plans for each share class, with the exception of Class R6 and Advisor Class shares, pursuant to Rule 12b-1 under the 1940 Act. Distribution fees are not charged on shares held by affiliates. Under the Fund's Class A reimbursement distribution plan, the Fund reimburses Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to the maximum annual plan rate. Under the Class A reimbursement distribution plan, costs exceeding the maximum for the current plan year cannot be reimbursed in subsequent periods. In addition, under the Fund's Class B, C, and R compensation distribution plans, the Fund pays Distributors for costs incurred in connection with the servicing, sale and distribution of the Fund's shares up to the maximum annual plan rate for each class.

The maximum annual plan rates, based on the average daily net assets, for each class, are as follows:

Reimbursement Plans:	
Class A	0.15%
Compensation Plans:	
Class B	0.65%
Class C	0.65%
Class R	0.50%

Franklin High Income Fund

3. Transactions with Affiliates *(continued)*

d. Sales Charges/Underwriting Agreements

Front-end sales charges and contingent deferred sales charges (CDSC) do not represent expenses of the Fund. These charges are deducted from the proceeds of sales of Fund shares prior to investment or from redemption proceeds prior to remittance, as applicable. Distributors has advised the Fund of the following commission transactions related to the sales and redemptions of the Fund's shares for the year:

Sales charges retained net of commissions paid to unaffiliated broker/dealers	$2,107,049
CDSC retained	$ 152,738

e. Transfer Agent Fees

Each class of shares, except for the R6 share class, pays transfer agent fees to Investor Services for its performance of shareholder servicing obligations and reimburses Investor Services for out of pocket expenses incurred, including shareholding servicing fees paid to third parties. These fees are allocated daily to such classes based upon the relative proportion of net assets. The R6 share class pays Investor Services transfer agent fees specific to that class.

For the year ended May 31, 2013, the Fund paid transfer agent fees of $7,801,442, of which $3,258,261 was retained by Investor Services.

4. Expense Offset Arrangement

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the year ended May 31, 2013, the custodian fees were reduced as noted in the Statement of Operations.

5. Income Taxes

For tax purposes, capital losses may be carried over to offset future capital gains. Capital loss carryforwards with no expiration, if any, must be fully utilized before those losses with expiration dates.

At May 31, 2013, capital loss carryforwards were as follows:

Capital loss carryforwards subject to expiration:	
2014	$100,305,761
2017	74,931,197
2018	146,834,317
	$322,071,275

Franklin High Income Fund

5. Income Taxes *(continued)*

During the year ended May 31, 2013, the Fund utilized $76,152,917 of capital loss carryforwards.

On May 31, 2013, the Fund had expired capital loss carryforwards of $7,392,266, which were reclassified to paid-in capital.

The tax character of distributions paid during the years ended May 31, 2013 and 2012, was as follows:

	2013	2012
Distributions paid from:		
Ordinary income	$389,980,345	$296,461,790

At May 31, 2013, the cost of investments, net unrealized appreciation (depreciation) and undistributed ordinary income for income tax purposes were as follows:

Cost of investments	$5,975,547,523
Unrealized appreciation	$ 404,700,908
Unrealized depreciation	(96,092,757)
Net unrealized appreciation (depreciation)	$ 308,608,151
Distributable earnings – undistributed ordinary income	$ 2,562,828

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatments of defaulted securities, bond discounts and premiums, payments-in-kind and swaps.

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the year ended May 31, 2013, aggregated $2,880,756,443 and $1,589,257,163, respectively.

7. Investments in Institutional Fiduciary Trust Money Market Portfolio

The Fund invests in the Institutional Fiduciary Trust Money Market Portfolio (Sweep Money Fund), an open-end investment company managed by Advisers. Management fees paid by the Fund are reduced on assets invested in the Sweep Money Fund, in an amount not to exceed the management and administrative fees paid by the Sweep Money Fund.

Franklin High Income Fund

8. Credit Risk and Defaulted Securities

At May 31, 2013, the Fund had 96.15% of its portfolio invested in high yield, senior secured floating rate notes, or other securities rated below investment grade. These securities may be more sensitive to economic conditions causing greater price volatility and are potentially subject to a greater risk of loss due to default than higher rated securities.

The Fund held defaulted securities and/or other securities for which the income has been deemed uncollectible. At May 31, 2013, the aggregate value of these securities represents less than 0.05% of the Fund's net assets. The Fund discontinues accruing income on securities for which income has been deemed uncollectible and provides an estimate for losses on interest receivable. The securities have been identified on the accompanying Statement of Investments.

9. Restricted Securities

The Fund invests in securities that are restricted under the Securities Act of 1933 (1933 Act) or which are subject to legal, contractual, or other agreed upon restrictions on resale. Restricted securities are often purchased in private placement transactions, and cannot be sold without prior registration unless the sale is pursuant to an exemption under the 1933 Act. Disposal of these securities may require greater effort and expense, and prompt sale at an acceptable price may be difficult. The Fund may have registration rights for restricted securities. The issuer generally incurs all registration costs.

At May 31, 2013, the Fund held investments in restricted securities, excluding certain securities exempt from registration under the 1933 Act deemed to be liquid, as follows:

Principal Amount/ Shares	Issuer	Acquisition Dates	Cost	Value
16,500,000	CEVA Group PLC, senior note, 144A, 4.00%, 5/01/18	12/09/10 - 5/02/13	$16,462,434	$14,355,000
3,364	CEVA Holdings LLC	3/10/10 - 5/02/13	5,015,517	3,364,220
134	CEVA Holdings LLC, cvt. pfd., A-1	5/02/13	—	179,560
7,283	CEVA Holdings LLC, cvt. pfd., A-2	3/10/10 - 5/02/13	10,857,234	7,282,620
120,000	NewPage Holdings Inc.[a]	9/17/09 - 12/02/10	26,814,230	11,279,999
	Total Restricted Securities (Value is 0.57% of Net Assets)		$59,149,415	$36,461,399

[a]The Fund also invests in unrestricted securities or other investments in the issuer, valued at $- as of May 31, 2013.

Franklin High Income Fund

10. Unfunded Commitments

The Fund enters into certain credit agreements, all or a portion of which may be unfunded. The Fund is obligated to fund these commitments at the borrowers' discretion. Funded portions of credit agreements are presented on the Statement of Investments.

At May 31, 2013, unfunded commitments were as follows:

Borrower	Unfunded Commitment
CEVA Group PLC, 4.00%, 12/01/13	2,100,000 EUR

Unfunded commitments and funded portions of credit agreements are marked to market daily and any unrealized appreciation or depreciation is included in the Statement of Assets and Liabilities and the Statement of Operations.

11. Other Derivative Information

At May 31, 2013, the Fund's investments in derivative contracts are reflected on the Statement of Assets and Liabilities as follows:

	Asset Derivatives		Liability Derivatives	
Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Assets and Liabilities Location	Fair Value Amount	Statement of Assets and Liabilities Location	Fair Value Amount
Foreign exchange contracts	Unrealized appreciation on forward exchange contracts	$ 90,979	Unrealized depreciation on forward exchange contracts	$38,914
Credit contracts	Unrealized appreciation on swap contracts	1,770,038	Unrealized depreciation on swap contracts	—

For the year ended May 31, 2013, the effect of derivative contracts on the Fund's Statement of Operations was as follows:

Derivative Contracts Not Accounted for as Hedging Instruments	Statement of Operations Locations	Realized Gain (Loss) for the Year	Change in Unrealized Appreciation (Depreciation) for the Year
Foreign exchange contracts	Net realized gain (loss) from foreign currency transactions / Net change in unrealized appreciation (depreciation) on translation of other assets and liabilities denominated in foreign currencies	$ 129,598	$ (643,365)
Credit contracts	Net realized gain (loss) from swap contracts / Net change in unrealized appreciation (depreciation) on investments	11,661,529	1,770,038

Franklin High Income Fund

11. Other Derivative Information *(continued)*

For the year ended May, 31, 2013, the average month end market value of derivatives represented 0.04% of average month end net assets. The average month end number of open derivative contracts for the period was 4.

See Note 1(d) regarding derivative financial instruments.

12. Special Servicing Agreement

The Fund, which is an eligible underlying investment of one or more of the Franklin Templeton Fund Allocator Series Funds (Allocator Funds), participated in a Special Servicing Agreement (SSA) with the Allocator Funds and certain service providers of the Fund and the Allocator Funds. Under the SSA, the Fund may pay a portion of the Allocator Funds' expenses (other than any asset allocation, administrative, and distribution fees) to the extent such payments are less than the amount of the benefits realized or expected to be realized by the Fund (e.g., due to reduced costs associated with servicing accounts) from the investment in the Fund by the Allocator Funds. The Allocator Funds are either managed by Advisers or administered by FT Services. For the year ended May 31, 2013, the Fund was held by one or more of the Allocator Funds and the amount of expenses borne by the Fund is noted in the Statement of Operations. Effective May 1, 2013, the SSA was discontinued until further notice and approval by the Board.

13. Credit Facility

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton Investments, are borrowers in a joint syndicated senior unsecured credit facility totaling $1.5 billion (Global Credit Facility) which matures on January 17, 2014. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.07% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses on the Statement of Operations. During the year ended May 31, 2013, the Fund did not use the Global Credit Facility.

Franklin High Income Fund

14. Fair Value Measurements

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

The inputs or methodology used for valuing financial instruments are not an indication of the risk associated with investing in those financial instruments.

For movements between the levels within the fair value hierarchy, the Fund has adopted a policy of recognizing the transfers as of the date of the underlying event which caused the movement.

A summary of inputs used as of May 31, 2013, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments in Securities:				
Equity Investments:[a]				
Consumer Services	$ —	$ —	$ 194,240	$ 194,240
Materials	—	11,279,999	—[b]	11,279,999
Transportation	—	—	10,826,400	10,826,400
Other Equity Investments[c]	9,215,844	—	—	9,215,844
Corporate Bonds	—	5,998,510,047	14,932,905	6,013,442,952
Senior Floating Rate Interests	—	84,497,051	—	84,497,051
Short Term Investments	154,699,188	—	—	154,699,188
Total Investments in Securities	$163,915,032	$6,094,287,097	$25,953,545	$6,284,155,674
Forward Exchange Contracts	—	90,979	—	90,979
Swaps	—	1,770,038	—	1,770,038
Liabilities:				
Forward Exchange Contracts	—	38,914	—	38,914
Unfunded Commitments	—	—	369,030	369,030

[a]Includes common, preferred and convertible preferred stocks as well as other equity investments.

[b]Includes securities determined to have no value at May 31, 2013.

[c]For detailed categories, see the accompanying Statement of Investments.

Franklin High Income Fund

14. Fair Value Measurements *(continued)*

A reconciliation of assets in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 investments at the end of the period.

15. New Accounting Pronouncements

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities. The amendments in the ASU enhance disclosures about offsetting of financial assets and liabilities to enable investors to understand the effect of these arrangements on a fund's financial position. In January 2013, FASB issued ASU No. 2013-01, Balance Sheet (Topic 210): Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities. The amendments in ASU No. 2013-01 clarify the intended scope of disclosures required by ASU No. 2011-11. These ASUs are effective for interim and annual reporting periods beginning on or after January 1, 2013. The Fund believes the adoption of these ASUs will not have a material impact on its financial statements.

In June 2013, FASB issued ASU No. 2013-08, Investment Companies (Topic 946): Amendments to the Scope, Measurement, and Disclosure Requirements. The ASU modifies the criteria used in defining an investment company under U.S. Generally Accepted Accounting Principles and also sets forth certain measurement and disclosure requirements. Under the ASU, an entity that is regulated under the 1940 Act automatically qualifies as an investment company. The ASU is effective for interim and annual reporting periods beginning after December 15, 2013. The Fund is currently reviewing the requirements and believes the adoption of this ASU will not have a material impact on its financial statements.

16. Subsequent Events

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure.

Abbreviations

Counterparty

BZWS - Barclays Bank PLC
DBAB - Deutsche Bank AG
FBCO - Credit Suisse Group AG

Currency

EUR - Euro

Selected Portfolio

FRN - Floating Rate Note
PIK - Payment-in-Kind

Franklin High Income Trust

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of Franklin High Income Fund

In our opinion, the accompanying statement of assets and liabilities, including the statement of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Franklin High Income Fund (the "Fund") at May 31, 2013, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at May 31, 2013 by correspondence with the custodian, transfer agent and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

San Francisco, California
July 19, 2013

Franklin High Income Trust

Tax Information (unaudited)

Franklin High Income Fund

Under Section 871(k)(1)(C) of the Internal Revenue Code (Code), the Fund hereby reports the maximum amount allowable but no less than $307,625,974 as interest related dividends for purposes of the tax imposed under Section 871(a)(1)(A) of the Code for the fiscal year ended May 31, 2013.

Franklin High Income Trust

Board Members and Officers

The name, year of birth and address of the officers and board members, as well as their affiliations, positions held with the Trust, principal occupations during at least the past five years and number of portfolios overseen in the Franklin Templeton Investments fund complex are shown below. Generally, each board member serves until that person's successor is elected and qualified.

Independent Board Members

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Harris J. Ashton (1932) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	135	Bar-S Foods (meat packing company) (1981-2010).
Principal Occupation During at Least the Past 5 Years: Director of various companies; and **formerly,** Director, RBC Holdings, Inc. (bank holding company) (until 2002); and President, Chief Executive Officer and Chairman of the Board, General Host Corporation (nursery and craft centers) (until 1998).				
Sam Ginn (1937) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	109	ICO Global Communications (Holdings) Limited (satellite company) (2006-2010), Chevron Corporation (global energy company) (1989-2009), Hewlett-Packard Company (technology company) (1996-2002), Safeway, Inc. (grocery retailer) (1991-1998) and TransAmerica Corporation (insurance company) (1989-1999).
Principal Occupation During at Least the Past 5 Years: Private investor; Chairman, First Responder Network Authority (FirstNet) (interoperable wireless broadband network) (August 2012); and **formerly,** Chairman of the Board, Vodafone AirTouch, PLC (wireless company) (1999-2000); Chairman of the Board and Chief Executive Officer, AirTouch Communications (cellular communications) (1993-1998) and Pacific Telesis Group (telephone holding company) (1988-1994).				
Edith E. Holiday (1952) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2005	135	Hess Corporation (exploration and refining of oil and gas), H.J. Heinz Company (processed foods and allied products) (1994-2013), RTI International Metals, Inc. (manufacture and distribution of titanium), Canadian National Railway (railroad) and White Mountains Insurance Group, Ltd. (holding company).
Principal Occupation During at Least the Past 5 Years: Director or Trustee of various companies and trusts; and **formerly,** Assistant to the President of the United States and Secretary of the Cabinet (1990-1993); General Counsel to the United States Treasury Department (1989-1990); and Counselor to the Secretary and Assistant Secretary for Public Affairs and Public Liaison – United States Treasury Department (1988-1989).				

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
J. Michael Luttig (1954) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2009	135	Boeing Capital Corporation (aircraft financing).
Principal Occupation During at Least the Past 5 Years: Executive Vice President, General Counsel and member of Executive Council, The Boeing Company (aerospace company); and **formerly,** Federal Appeals Court Judge, U.S. Court of Appeals for the Fourth Circuit (1991-2006).				
Frank A. Olson (1932) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	135	Hess Corporation (exploration and refining of oil and gas).
Principal Occupation During at Least the Past 5 Years: Chairman Emeritus, The Hertz Corporation (car rental) (since 2000) (Chairman of the Board (1980-2000) and Chief Executive Officer (1977-1999)); and **formerly,** Chairman of the Board, President and Chief Executive Officer, UAL Corporation (airlines).				
Larry D. Thompson (1945) One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since 2007	135	Cbeyond, Inc. (business communications provider), The Southern Company (energy company) (2010-2012) and The Washington Post Company (education and media organization).
Principal Occupation During at Least the Past 5 Years: Executive Vice President – Government Affairs, General Counsel and Corporate Secretary, PepsiCo, Inc. (consumer products) (June 2012); and **formerly,** John A. Sibley Professor of Corporate and Business Law, University of Georgia School of Law (2011-2012); Senior Vice President – Government Affairs, General Counsel and Secretary, PepsiCo, Inc. (2004-2011); Senior Fellow of The Brookings Institution (2003-2004); Visiting Professor, University of Georgia School of Law (2004); and Deputy Attorney General, U.S. Department of Justice (2001-2003).				
John B. Wilson (1959) One Franklin Parkway San Mateo, CA 94403-1906	Lead Independent Trustee	Trustee since 2007 and Lead Independent Trustee since 2008	109	None
Principal Occupation During at Least the Past 5 Years: President, Staples Europe (office supplies) (October 2012); President and Founder, Hyannis Port Capital, Inc. (real estate and private equity investing); serves on private and non-profit boards; and **formerly,** Chief Operating Officer and Executive Vice President, Gap, Inc. (retail) (1996-2000); Chief Financial Officer and Executive Vice President – Finance and Strategy, Staples, Inc. (1992-1996); Senior Vice President – Corporate Planning, Northwest Airlines, Inc. (airlines) (1990-1992); and Vice President and Partner, Bain & Company (consulting firm) (1986-1990).				

Interested Board Members and Officers

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
****Gregory E. Johnson (1961)** One Franklin Parkway San Mateo, CA 94403-1906	Trustee	Since June 2013	145	None
Principal Occupation During at Least the Past 5 Years: Chairman of the Board, Member – Office of the Chairman, Director, President and Chief Executive Officer, Franklin Resources, Inc.; officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 45 of the investment companies in Franklin Templeton Investments; and Chairman, Investment Company Institute.				
****Rupert H. Johnson, Jr. (1940)** One Franklin Parkway San Mateo, CA 94403-1906	Chairman of the Board and Trustee	Chairman of the Board since June 2013 and Trustee since 1978	135	None
Principal Occupation During at Least the Past 5 Years: Vice Chairman, Member – Office of the Chairman and Director, Franklin Resources, Inc.; Director, Franklin Advisers, Inc.; Senior Vice President, Franklin Advisory Services, LLC; and officer and/or director or trustee, as the case may be, of some of the other subsidiaries of Franklin Resources, Inc. and of 42 of the investment companies in Franklin Templeton Investments.				
Alison E. Baur (1964) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2012	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Deputy General Counsel, Franklin Templeton Investments; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 47 of the investment companies in Franklin Templeton Investments.				
Laura F. Fergerson (1962) One Franklin Parkway San Mateo, CA 94403-1906	Chief Executive Officer – Finance and Administration	Since 2009	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Vice President, Franklin Templeton Services, LLC; and officer of 47 of the investment companies in Franklin Templeton Investments.				
Gaston Gardey (1967) One Franklin Parkway San Mateo, CA 94403-1906	Treasurer, Chief Financial Officer and Chief Accounting Officer	Since 2009	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Director, Fund Accounting, Franklin Templeton Investments; and officer of 28 of the investment companies in Franklin Templeton Investments.				

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Aliya S. Gordon (1973) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2009	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton Investments; officer of 47 of the investment companies in Franklin Templeton Investments; and **formerly,** Litigation Associate, Steefel, Levitt & Weiss, LLP (2000-2004).				
Steven J. Gray (1955) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2009	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton Investments; Vice President, Franklin Templeton Distributors, Inc.; and officer of 47 of the investment companies in Franklin Templeton Investments.				
Selena L. Holmes (1965) 100 Fountain Parkway St. Petersburg, FL 33716-1205	Vice President – AML Compliance	Since 2012	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Director, Global Compliance Monitoring; and officer of 47 of the investment companies in Franklin Templeton Investments.				
Christopher J. Molumphy (1962) One Franklin Parkway San Mateo, CA 94403-1906	President and Chief Executive Officer – Investment Management	Since 2010	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Director and Executive Vice President, Franklin Advisers, Inc.; Executive Vice President, Franklin Templeton Institutional, LLC; and officer of some of the other subsidiaries of Franklin Resources, Inc. and of 23 of the investment companies in Franklin Templeton Investments.				
Kimberly H. Novotny (1972) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President	Since March 2013	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Corporate Counsel, Franklin Templeton Investments; Vice President, Secretary and Trust Officer, Fiduciary Trust International of the South; Vice President, Templeton Investment Counsel, LLC; Assistant Secretary, Franklin Resources, Inc.; and officer of 47 of the investment companies in Franklin Templeton Investments.				
Robert C. Rosselot (1960) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Chief Compliance Officer	Since March 2013	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Director, Global Compliance, Franklin Templeton Investments; officer of 47 of the investment companies in Franklin Templeton Investments; and **formerly,** Senior Associate General Counsel, Franklin Templeton Investments (2007-2013); and Secretary and Vice President, Templeton Group of Funds (2004-2013).				

Name, Year of Birth and Address	Position	Length of Time Served	Number of Portfolios in Fund Complex Overseen by Board Member*	Other Directorships Held During at Least the Past 5 Years
Karen L. Skidmore (1952) One Franklin Parkway San Mateo, CA 94403-1906	Vice President and Secretary	Since 2006	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton Investments; and officer of 47 of the investment companies in Franklin Templeton Investments.				
Craig S. Tyle (1960) One Franklin Parkway San Mateo, CA 94403-1906	Vice President	Since 2005	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: General Counsel and Executive Vice President, Franklin Resources, Inc.; officer of some of the other subsidiaries of Franklin Resources, Inc. and of 47 of the investment companies in Franklin Templeton Investments; and **formerly,** Partner, Shearman & Sterling, LLP (2004-2005); and General Counsel, Investment Company Institute (ICI) (1997-2004).				
Lori A. Weber (1964) 300 S.E. 2nd Street Fort Lauderdale, FL 33301-1923	Vice President	Since 2011	Not Applicable	Not Applicable
Principal Occupation During at Least the Past 5 Years: Senior Associate General Counsel, Franklin Templeton Investments; Assistant Secretary, Franklin Resources, Inc.; Vice President and Secretary, Templeton Investment Counsel, LLC; Vice President, Fiduciary Trust International of the South; and officer of 47 of the investment companies in Franklin Templeton Investments.				

*We base the number of portfolios on each separate series of the U.S. registered investment companies within the Franklin Templeton Investments fund complex. These portfolios have a common investment manager or affiliated investment managers.

**Gregory E. Johnson is considered to be an interested person of the Fund under the federal securities laws due to his position as an officer and director of Franklin Resources, Inc. (Resources), which is the parent company of the Fund's investment manager and distributor. Rupert H. Johnson, Jr. is considered to be an interested person of the Fund under the federal securities laws due to his position as officer and director and major shareholder of Resources.

Note 1: Rupert H. Johnson, Jr. is the uncle of Gregory E. Johnson.

Note 2: Officer information is current as of the date of this report. It is possible that after this date, information about officers may change.

Note 3: Effective June 13, 2013, Charles B. Johnson ceased to be a trustee of the Trust.

The Sarbanes-Oxley Act of 2002 and Rules adopted by the Securities and Exchange Commission require the Fund to disclose whether the Fund's Audit Committee includes at least one member who is an audit committee financial expert within the meaning of such Act and Rules. The Fund's Board has determined that there is at least one such financial expert on the Audit Committee and has designated John B. Wilson as its audit committee financial expert. The Board believes that Mr. Wilson qualifies as such an expert in view of his extensive business background and experience, including service as chief financial officer of Staples, Inc. from 1992 to 1996. Mr. Wilson has been a Member and Chairman of the Fund's Audit Committee since 2007. As a result of such background and experience, the Board believes that Mr. Wilson has acquired an understanding of generally accepted accounting principles and financial statements, the general application of such principles in connection with the accounting estimates, accruals and reserves, and analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to those of the Fund, as well as an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. Mr. Wilson is an independent Board member as that term is defined under the relevant Securities and Exchange Commission Rules and Releases.

The Statement of Additional Information (SAI) includes additional information about the board members and is available, without charge, upon request. Shareholders may call (800) DIAL BEN/342-5236 to request the SAI.

Franklin High Income Trust

Shareholder Information

Franklin High Income Fund

Board Review of Investment Management Agreement

At a meeting held February 26, 2013, the Board of Trustees (Board), including a majority of non-interested or independent Trustees, approved renewal of the investment management agreement for Franklin High Income Fund (Fund). In reaching this decision, the Board took into account information furnished throughout the year at regular Board meetings, as well as information prepared specifically in connection with the annual renewal review process. Information furnished and discussed throughout the year included investment performance reports and related financial information for the Fund, along with periodic reports on expenses, shareholder services, legal and compliance matters, brokerage commissions and execution, pricing and other services provided by the Investment Manager (Manager) and its affiliates, as well as a third-party survey of transfer agent fees charged funds within the Franklin Templeton Investments complex in comparison with those charged other fund complexes deemed comparable. Information furnished specifically in connection with the renewal process included a report for the Fund prepared by Lipper, Inc. (Lipper), an independent organization, as well as additional material, including a Fund profitability analysis prepared by management. The Lipper report compared the Fund's investment performance and expenses with those of other mutual funds deemed comparable to the Fund as selected by Lipper. The Fund profitability analysis discussed the profitability to Franklin Templeton Investments from its overall U.S. fund operations, as well as on an individual fund-by-fund basis. Additional material accompanying such profitability analysis included information on a fund-by-fund basis listing portfolio managers and other accounts they manage, as well as information on management fees charged by the Manager and its affiliates to U.S. mutual funds and other accounts, including management's explanation of differences where relevant. Such material also included a memorandum prepared by management describing project initiatives and capital investments relating to the services provided to the Fund by the Franklin Templeton Investments organization, as well as a memorandum relating to economies of scale and an analysis concerning transfer agent fees charged by an affiliate of the Manager.

In considering such materials, the independent Trustees received assistance and advice from and met separately with independent counsel. In approving continuance of the investment management agreement for the Fund, the Board, including a majority of independent Trustees, determined that the existing management fee structure was fair and reasonable and that continuance of the investment management agreement was in the best interests of the Fund and its shareholders. While attention was given to all information furnished, the following discusses some primary factors relevant to the Board's decision.

NATURE, EXTENT AND QUALITY OF SERVICE. The Board was satisfied with the nature and quality of the overall services provided by the Manager and its affiliates to the Fund and its shareholders. In addition to investment performance and expenses discussed later, the Board's opinion was based, in part, upon periodic reports furnished it showing that the investment policies and restrictions for the Fund were consistently complied with as well as other reports periodically

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furnished the Board covering matters such as the compliance of portfolio managers and other management personnel with the code of ethics adopted throughout the Franklin Templeton fund complex, the adherence to fair value pricing procedures established by the Board, and the accuracy of net asset value calculations. The Board also noted the extent of benefits provided Fund shareholders from being part of the Franklin Templeton family of funds, including the right to exchange investments between the same class of funds without a sales charge, the ability to reinvest Fund dividends into other funds and the right to combine holdings in other funds to obtain a reduced sales charge. Favorable consideration was given to management's continuous efforts and expenditures in establishing back-up systems and recovery procedures to function in the event of a natural disaster, it being noted that such systems and procedures had functioned well during the Florida hurricanes and blackouts experienced in previous years, and that those operations in the New York/New Jersey area ran smoothly during the more recent Hurricane Sandy. Among other factors taken into account by the Board were the Manager's best execution trading policies, including a favorable report by an independent portfolio trading analytical firm, which also covered FOREX transactions. Consideration was also given to the experience of the Fund's portfolio management team, the number of accounts managed and general method of compensation. In this latter respect, the Board noted that a primary factor in management's determination of a portfolio manager's bonus compensation was the relative investment performance of the funds he or she managed and that a portion of such bonus was required to be invested in a predesignated list of funds within such person's fund management area so as to be aligned with the interests of shareholders. The Board also took into account the quality of transfer agent and shareholder services provided Fund shareholders by an affiliate of the Manager and the continuous enhancements to the Franklin Templeton website. Particular attention was given to management's conservative approach and diligent risk management procedures, including continuous monitoring of counterparty credit risk and attention given to derivatives and other complex instruments including expanded collateralization requirements. The Board also took into account, among other things, management's efforts in establishing a global credit facility for the benefit of the Fund and other accounts managed by Franklin Templeton Investments to provide a source of cash for temporary and emergency purposes or to meet unusual redemption requests as well as the strong financial position of the Manager's parent company and its commitment to the mutual fund business as evidenced by its subsidization of money market funds.

INVESTMENT PERFORMANCE. The Board placed significant emphasis on the investment performance of the Fund in view of its importance to shareholders. While consideration was given to performance reports and discussions with portfolio managers at Board meetings during the year, particular attention in assessing such performance was given to the Lipper report furnished for the agreement renewal. The Lipper report prepared for the Fund showed the investment performance of its Class A shares during the year ended December 31, 2012, as well as the previous 10 years ended on such date in comparison to a performance universe consisting of all retail and institutional high yield funds as selected by Lipper. The Lipper report showed the Fund's income return during

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2012 to be in the highest or best performing quintile of such performance universe and its income return on an annualized basis to be in the second-highest performing quintile of such performance universe for each of the previous three-, five- and 10-year periods. The Lipper report showed the Fund's total return during 2012 to be in the second-highest performing quintile of such performance universe, and on an annualized basis to also be in the second-highest quintile of such universe for the previous three-year and five-year periods, and highest performing quintile of such universe for the previous 10-year period. The Board was satisfied with the Fund's comparative performance as shown in the Lipper report.

COMPARATIVE EXPENSES. Consideration was given to a comparative analysis of the management fees and total expense ratio of the Fund compared with those of a group of other funds selected by Lipper as its appropriate Lipper expense group. Lipper expense data is based upon information taken from each fund's most recent annual report, which reflects historical asset levels that may be quite different from those currently existing, particularly in a period of market volatility. While recognizing such inherent limitation and the fact that expense ratios generally increase as assets decline and decrease as assets grow, the Board believed the independent analysis conducted by Lipper to be an appropriate measure of comparative expenses. In reviewing comparative costs, Lipper provides information on the Fund's contractual investment management fee in comparison with the contractual investment management fee that would have been charged by other funds within its Lipper expense group assuming they were similar in size to the Fund, as well as the actual total expenses of the Fund in comparison with those of its Lipper expense group. The Lipper contractual investment management fee analysis includes administrative charges as being part of the contractual investment management fee, and total expenses, for comparative consistency, are shown by Lipper for Fund Class A shares. The Lipper report showed the Fund's contractual investment management fee rate, as well as its actual total expense ratio in each case to be in the least expensive quintile of its Lipper expense group. The Board was satisfied with the management fee and total expenses of the Fund in comparison to its Lipper expense group.

MANAGEMENT PROFITABILITY. The Board also considered the level of profits realized by the Manager and its affiliates in connection with the operation of the Fund. In this respect, the Board reviewed the Fund profitability analysis that addresses the overall profitability of Franklin Templeton's U.S. fund business, as well as its profits in providing management and other services to the Fund during the 12-month period ended September 30, 2012, being the most recent fiscal year-end for Franklin Resources, Inc., the Manager's parent. In reviewing the analysis, attention was given to the methodology followed in allocating costs to the Fund, it being recognized that allocation methodologies are inherently subjective and various allocation methodologies may each be reasonable while producing different results. In this respect, the Board noted that, while being continuously refined and reflecting changes in the Manager's own cost accounting, the cost allocation methodology was consistent with that followed in profitability report presentations for the Fund made in

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prior years and that the Fund's independent registered public accounting firm had been engaged by the Manager to periodically review the reasonableness of the allocation methodologies solely for use by the Fund's Board in reference to the profitability analysis. In reviewing and discussing such analysis, management discussed with the Board its belief that costs incurred in establishing the infrastructure necessary for the type of mutual fund operations conducted by the Manager and its affiliates may not be fully reflected in the expenses allocated to the Fund in determining its profitability, as well as the fact that the level of profits, to a certain extent, reflected operational cost savings and efficiencies initiated by management. The Board also took into account management's expenditures in improving shareholder services provided the Fund, as well as the need to implement systems to meet additional regulatory and compliance requirements resulting from statutes such as the Sarbanes-Oxley and Dodd-Frank Acts and recent SEC and other regulatory requirements. In addition, the Board considered a third-party study comparing the profitability of the Manager's parent on an overall basis to other publicly held managers broken down to show profitability from management operations exclusive of distribution expenses, as well as profitability including distribution expenses. The Board also considered the extent to which the Manager and its affiliates might derive ancillary benefits from fund operations, including revenues generated from transfer agent services. Based upon its consideration of all these factors, the Board determined that the level of profits realized by the Manager and its affiliates from providing services to the Fund was not excessive in view of the nature, quality and extent of services provided.

ECONOMIES OF SCALE. The Board also considered whether economies of scale are realized by the Manager as the Fund grows larger and the extent to which this is reflected in the level of management fees charged. While recognizing that any precise determination is inherently subjective, the Board noted that based upon the Fund profitability analysis, it appears that as some funds get larger, at some point economies of scale do result in the Manager realizing a larger profit margin on management services provided such a fund. The Board also noted that economies of scale are shared with a fund and its shareholders through investment management fee breakpoints so that as a fund grows in size, its effective investment management fee rate declines. The fee structure under the Fund's investment management agreement provides an initial fee of 0.625% on the first $100 million of assets; 0.50% on the next $150 million of assets; 0.45% on the next $7.25 billion of assets, with additional breakpoints continuing thereafter. At December 31, 2012, the Fund had net assets of approximately $6.08 billion. In considering such fee structure, the Board took into account management's position that fees reach a relatively low rate quickly and that such low rate, in effect, reflects anticipated economies of scale as assets increase as shown in the Fund's favorable contractual investment management fee and total expense comparisons within its Lipper expense group. The Board believed that to the extent economies of scale may be realized by the Manager and its affiliates, the schedule of fees under the investment management agreement provides a sharing of benefits with the Fund and its shareholders.

Franklin High Income Trust

Shareholder Information *(continued)*

Franklin High Income Fund

Proxy Voting Policies and Procedures

The Trust's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Trust uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Trust's complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Trust's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov and reflect the most recent 12-month period ended June 30.

Quarterly Statement of Investments

The Trust files a complete statement of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year on Form N-Q. Shareholders may view the filed Form N-Q by visiting the Commission's website at sec.gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

Householding of Reports and Prospectuses

You will receive the Fund's financial reports every six months as well as an annual updated summary prospectus (prospectus available upon request). To reduce Fund expenses, we try to identify related shareholders in a household and send only one copy of the financial reports and summary prospectus. This process, called "householding," will continue indefinitely unless you instruct us otherwise. If you prefer not to have these documents householded, please call us at (800) 632-2301. At any time you may view current prospectuses/summary prospectuses and financial reports on our website. If you choose, you may receive these documents through electronic delivery.

Franklin Templeton Funds

Literature Request. *To receive a summary prospectus and/or prospectus, please call us at (800) DIAL BEN/342-5236 or visit* ***franklintempleton.com****. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. The prospectus contains this and other information. Please carefully read a prospectus before investing. To ensure the highest quality of service, we may monitor, record and access telephone calls to or from our service departments. These calls can be identified by the presence of a regular beeping tone.*

VALUE
Franklin All Cap Value Fund
Franklin Balance Sheet Investment Fund
Franklin Large Cap Value Fund
Franklin MicroCap Value Fund[1]
Franklin MidCap Value Fund
Franklin Small Cap Value Fund
Mutual Beacon Fund
Mutual Quest Fund
Mutual Recovery Fund[2]
Mutual Shares Fund

BLEND
Franklin Focused Core Equity Fund
Franklin Large Cap Equity Fund
Franklin Rising Dividends Fund

GROWTH
Franklin DynaTech Fund
Franklin Flex Cap Growth Fund
Franklin Growth Fund
Franklin Growth Opportunities Fund
Franklin Small Cap Growth Fund
Franklin Small-Mid Cap Growth Fund

SECTOR
Franklin Biotechnology Discovery Fund
Franklin Global Real Estate Fund
Franklin Gold & Precious Metals Fund
Franklin Natural Resources Fund
Franklin Real Estate Securities Fund
Franklin Utilities Fund
Mutual Financial Services Fund

GLOBAL
Franklin World Perspectives Fund
Mutual Global Discovery Fund
Templeton Global Opportunities Trust
Templeton Global Smaller Companies Fund
Templeton Growth Fund
Templeton World Fund

INTERNATIONAL
Franklin India Growth Fund
Franklin International Growth Fund
Franklin International Small Cap Growth Fund[3]
Mutual European Fund
Mutual International Fund
Templeton Asian Growth Fund
Templeton BRIC Fund
Templeton China World Fund
Templeton Developing Markets Trust
Templeton Emerging Markets Small Cap Fund
Templeton Foreign Fund
Templeton Foreign Smaller Companies Fund
Templeton Frontier Markets Fund[4]

HYBRID
Franklin Balanced Fund
Franklin Convertible Securities Fund
Franklin Equity Income Fund
Franklin Income Fund
Templeton Emerging Markets Balanced Fund
Templeton Global Balanced Fund

ASSET ALLOCATION
Franklin Templeton Corefolio® Allocation Fund
Franklin Templeton Founding Funds Allocation Fund
Franklin Templeton Conservative Allocation Fund
Franklin Templeton Growth Allocation Fund
Franklin Templeton Moderate Allocation Fund
Franklin LifeSmart™ 2015 Retirement Target Fund[5]
Franklin LifeSmart™ 2020 Retirement Target Fund
Franklin LifeSmart™ 2025 Retirement Target Fund[5]
Franklin LifeSmart™ 2030 Retirement Target Fund
Franklin LifeSmart™ 2035 Retirement Target Fund[5]
Franklin LifeSmart™ 2040 Retirement Target Fund
Franklin LifeSmart™ 2045 Retirement Target Fund[5]
Franklin LifeSmart™ 2050 Retirement Target Fund
Franklin Templeton Global Allocation Fund
Franklin Templeton Multi-Asset Real Return Fund

FIXED INCOME
Franklin Adjustable U.S. Government Securities Fund[6]
Franklin Floating Rate Daily Access Fund
Franklin High Income Fund
Franklin Limited Maturity U.S. Government Securities Fund[6]
Franklin Low Duration Total Return Fund
Franklin Real Return Fund
Franklin Strategic Income Fund
Franklin Strategic Mortgage Portfolio
Franklin Templeton Hard Currency Fund
Franklin Total Return Fund
Franklin U.S. Government Securities Fund[6]
Templeton Emerging Markets Bond Fund
Templeton Global Bond Fund
Templeton Global Total Return Fund
Templeton International Bond Fund

TAX-FREE INCOME[7]
National
Double Tax-Free Income Fund[8]
Federal Tax-Free Income Fund
High Yield Tax-Free Income Fund
Insured Tax-Free Income Fund[9, 10]

Limited-/Intermediate-Term
California Intermediate-Term Tax-Free Income Fund
Federal Intermediate-Term Tax-Free Income Fund
Federal Limited-Term Tax-Free Income Fund
New York Intermediate-Term Tax-Free Income Fund

State-Specific
Alabama
Arizona
California (4 funds)[10]
Colorado
Connecticut
Florida
Georgia
Kentucky
Louisiana
Maryland
Massachusetts
Michigan
Minnesota
Missouri
New Jersey
New York (2 funds)
North Carolina
Ohio
Oregon
Pennsylvania
Tennessee
Virginia

INSURANCE FUNDS
Franklin Templeton Variable Insurance Products Trust[11]

1. The fund is closed to new investors. Existing shareholders and select retirement plans may add to their accounts.
2. The fund is a continuously offered, closed-end fund. Shares may be purchased daily; there is no daily redemption. However, each quarter, pending board approval, the fund will authorize the repurchase of 5%–25% of the outstanding number of shares. Investors may tender all or a portion of their shares during the tender period.
3. Effective 6/3/13, the fund closed to new investors, with limited exceptions.
4. Effective 6/28/13, the fund closed to new investors. Existing shareholders and select retirement plans may add to their accounts.
5. Effective 5/1/13, the Franklin Templeton Retirement Target Funds changed their names to Franklin LifeSmart Retirement Target Funds. The funds' investment goals and principal investment strategies remained unchanged.
6. An investment in the fund is neither insured nor guaranteed by the U.S. government or by any other entity or institution.
7. For investors subject to the alternative minimum tax, a small portion of fund dividends may be taxable. Distributions of capital gains are generally taxable.
8. The fund is closed to all new investments (other than reinvestment of dividends and capital gains distributions).
9. The fund invests primarily in insured municipal securities.
10. Effective at the close of market 3/1/13, Franklin Insured Tax-Free Income Fund and Franklin California Insured Tax-Free Income Fund closed to all new investments (other than reinvestment of dividends and capital gains distributions).
11. The funds of the Franklin Templeton Variable Insurance Products Trust are generally available only through insurance company variable contracts.

VALUE | BLEND | GROWTH | SECTOR | GLOBAL | INTERNATIONAL | HYBRID | ASSET ALLOCATION | **FIXED INCOME** | TAX-FREE INCOME

< GAIN FROM OUR PERSPECTIVE® >

Annual Report and Shareholder Letter

Franklin High Income Fund

Investment Manager
Franklin Advisers, Inc.

Distributor
Franklin Templeton Distributors, Inc.
(800) DIAL BEN®/342-5236
franklintempleton.com

Shareholder Services
(800) 632-2301

Authorized for distribution only when accompanied or preceded by a summary prospectus and/or prospectus. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. A prospectus contains this and other information; please read it carefully before investing.

To ensure the highest quality of service, telephone calls to or from our service departments may be monitored, recorded and accessed. These calls can be identified by the presence of a regular beeping tone.

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