



Franklin High Income Fund

Fixed Income
December 31, 2014

Fund Fact Sheet

Fund Description

The fund seeks a high level of current income, with a secondary focus on capital appreciation, by investing substantially in higher-yielding, lower-rated corporate bonds.

Fund Overview

Total Net Assets [All Share Classes]	\$6,292 million
Fund Inception Date	12/31/1969
Dividend Frequency	Monthly, on or near the 3rd business day
Number of Holdings	342

Share Class Information

Share Class	CUSIP	NASDAQ Symbol
A	353 538 101	FHAIX
C	353 538 200	FCHIX
R	353 538 507	FHIRX
R6	353 538 606	FHRRX
Advisor	353 538 309	FVHIX

Fund Management

	Years with Firm	Years of Experience
Chris Molumphy, CFA	26	27
Eric Takaha, CFA	23	23

30-Day Standardized Yield

Share Class	Yield
A	5.63%
C	5.37%

Maximum Sales Charge

Class A: 4.25% initial sales charge
Class C: 1.00% contingent deferred sales charge (CDSC) in the first year only

Total Annual Operating Expenses

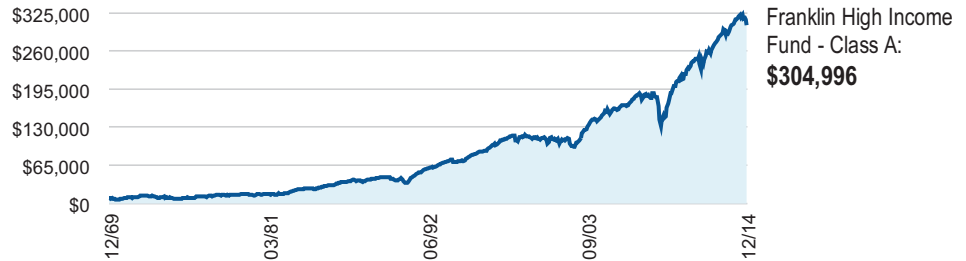
Share Class	Expense Ratio
A	0.76%
C	1.26%

Asset Allocation (%)

Fixed Income	95.66%
Cash & Cash Equivalents	4.21%
Equity	0.13%

Performance

Growth of a \$10,000 Investment - Without Sales Charge (from 12/31/1969-12/31/2014)



Total Returns % (as of 12/31/2014)

Share Class	YTD	AVERAGE ANNUAL				Since Inception	Inception Date
		1 Yr	3 Yrs	5 Yrs	10 Yrs		
A With Sales Charge	-4.47	-4.47	5.84	7.09	6.27	7.78	12/31/1969
A Without Sales Charge	-0.39	-0.39	7.45	7.98	6.75	7.89	12/31/1969
C With Sales Charge	-1.83	-1.83	6.85	7.37	6.22	6.41	5/16/1995
C Without Sales Charge	-0.89	-0.89	6.85	7.37	6.22	6.41	5/16/1995

Calendar Year Total Returns % - Without Sales Charge

Share Class	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
A	-0.39	7.64	15.71	4.55	13.14	44.33	-22.54	3.18	9.23	3.91
	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
	11.59	35.29	-3.43	2.92	-7.37	0.48	1.52	12.09	14.21	18.67

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The fund's investment returns and principal values will change with market conditions, and you may have a gain or a loss when you sell your shares. Please call Franklin Templeton at (800) DIAL BEN/(800) 342-5236 or visit franklintempleton.com for the most recent month-end performance.

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

Top 10 Holdings (% of Total)

Issuer Name	Percentage
SPRINT COMMUNICATIONS INC	2.15
HCA INC	1.94
NAVIENT CORP	1.50
INTELSAT JACKSON HOLDINGS SA	1.27
VALEANT PHARMACEUTICALS INTERN	1.23
WIND ACQUISITION FINANCE SA	1.22
REYNOLDS GROUP ISSUER INC / RE	1.15
ENERGY TRANSFER EQUITY LP	1.14
FIRST DATA CORP	1.13
JBS USA LLC / JBS USA FINANCE	1.09

Fund Measures

Average Duration	4.09 Years
Average Weighted Maturity	5.34 Years
Standard Deviation (3 Yrs)	5.24
Beta (3 Yrs; vs. Credit Suisse High Yield Index)	1.18

Composition of Fund

■ Franklin High Income Fund

Sector	% of Total
Energy	21.09
Finance	9.47
Healthcare	8.71
Media Cable	7.54
Metals & Mining	7.30
Wireless	6.21
Technology	4.62
Building	3.69
Cash & Cash Equivalents	4.21
Other	27.16

Morningstar Rating™—Class A

Overall Morningstar Rating™ As of December 31, 2014 the fund's Class A shares received a traditional 3 star overall Morningstar Rating™, measuring risk-adjusted returns against 585, 504 and 353 U.S.-domiciled High Yield Bond funds over the 3-, 5- and 10- year periods, respectively. A fund's overall rating is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) rating metrics.



Important Information About Portfolio Data

Asset Allocation: The figures shown reflect certain derivatives held in the portfolio (or their underlying reference assets) and may not total 100% or may be negative due to rounding, use of derivatives, unsettled trades or other factors.

Fund Measures: The figures shown for Average Duration and Average Weighted Maturity reflect certain derivatives held in the portfolio (or their underlying reference assets).

Composition of Fund: Sector portfolio weights reflect certain derivatives held in the portfolio (or their underlying reference assets) and may not total 100% or may be negative due to rounding, use of derivatives, unsettled trades or other factors.

What Are the Risks

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. Changes in the financial strength of a bond issuer or in a bond's credit rating may affect its value. 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 the prices of bonds in the fund adjust to a rise in interest rates, the fund's share price may decline. Investment in foreign securities also involves special risks, including currency fluctuations, and political and economic uncertainty. These and other risk considerations are discussed in the fund's prospectus.

Glossary

Average Duration: A measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years.

Average Weighted Maturity: An estimate of the number of terms of maturity, taking the possibility of early payments into account, for the underlying holdings.

Beta: A measure of the fund's volatility relative to the market, as represented by the stated Index. A beta greater than 1.00 indicates volatility greater than the market.

Standard Deviation: A measure of risk; the larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate.

Important Information

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

Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change.

Source for Index: FactSet. Indexes are unmanaged and one cannot invest directly in an index.

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

30-Day Standardized Yield: The 30-Day Standardized Yield reflects an estimated yield 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.

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

Class A: Prior to 7/1/94, these shares were offered at a lower initial sales charge; thus actual returns would have differed. On 5/1/94, the fund implemented a Rule 12b-1 plan, which affects subsequent performance. Class C: Prior to 1/1/04, these shares were offered with an initial sales charge; thus actual returns would have differed. Class C Shares have higher annual fees and expenses than Class A Shares.

Top 10 Holdings: The portfolio manager for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included.

Overall Morningstar Rating™: Source: Morningstar® 12/31/14. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on how a fund ranks on a Morningstar Risk-Adjusted Return measure against other funds in the same category. This measure takes into account variations in a fund's monthly performance after adjusting for sales loads (except for load-waived A shares), redemption fees, and the risk free rate, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. Class A shares of Franklin High Income Fund received a traditional Morningstar Rating of 2, 2 and 3 star(s) for the 3-, 5- and 10-year periods, respectively. The Morningstar Rating™ may differ among share classes of a mutual fund as a result of different sales loads and/or expense structure. **Past performance does not guarantee future results.** ©2015 Morningstar, Inc. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers; may not be copied or distributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.