

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

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

Fund Overview

Total Net Assets [All Share Classes]	\$3,061 million
Fund Inception Date	12/31/1969
Dividend Frequency	Monthly, on or near the last business day
Number of Holdings	253

Share Class Information

Share Class	CUSIP	NASDAQ Symbol
Advisor	353 538 309	FVHIX
A	353 538 887	FHQRX
C	353 538 200	FCHIX
R	353 538 507	FHIRX
R6	353 538 606	FHRRX

Fund Management

	Years with Firm	Years of Experience
Glenn Voyles, CFA	26	26

Maximum Sales Charge

Class A: 3.75% initial sales charge
Class C: 1.00% contingent deferred sales charge (CDSC) in the first year only

Total Annual Operating Expenses

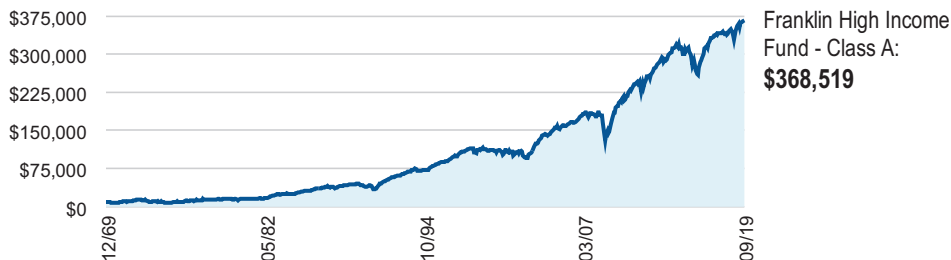
Share Class	With Waiver	Without Waiver
A	0.86%	0.87%
C	1.26%	1.27%

30-Day Standardized Yield

Share Class	With Waiver	Without Waiver
A	4.76%	4.75%
C	4.55%	4.54%

Asset Allocation (%)

Fixed Income	96.41
Cash & Cash Equivalents	2.67
Equity	0.92

Performance
Growth of a \$10,000 Investment - Without Sales Charge (from 12/31/1969-09/30/2019)

Total Returns % (as of 9/30/2019)

Share Class	YTD	AVERAGE ANNUAL					Since Inception	Inception Date
		1 Yr	3 Yrs	5 Yrs	10 Yrs			
A With Sales Charge	7.38	1.32	4.16	2.56	6.14	7.44	12/31/1969	
A Without Sales Charge	11.56	5.27	5.50	3.34	6.54	7.52	12/31/1969	
C With Sales Charge	10.59	4.25	5.28	3.01	6.12	5.93	5/16/1995	
C Without Sales Charge	11.59	5.25	5.28	3.01	6.12	5.93	5/16/1995	

Calendar Year Total Returns % - Without Sales Charge

Share Class	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
A	-3.75	6.72	19.31	-10.74	-0.40	7.63	15.70	4.54	13.13	44.32
C	-4.17	6.66	18.47	-11.07	-0.89	7.04	14.99	3.99	12.46	44.08

Share Class	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
A	-22.55	3.17	9.22	3.89	11.57	35.27	-3.45	2.90	-7.39	0.46
C	-22.83	2.64	8.64	3.36	11.50	34.56	-4.45	2.88	-8.23	-0.03

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.

The fund has a fee waiver associated with any investment it makes in a Franklin Templeton money fund and/or other Franklin Templeton fund, contractually guaranteed through September 30, 2020. Fund investment results reflect the fee waiver; without this waiver, the results would have been lower.

Top Ten Holdings (% of Total)

Issuer Name	
CSC HOLDINGS LLC	2.11
CCO HLDGS LLC/CAP CORP	2.02
SPRINT CORP	1.81
iShares iBoxx High Yield Corpo	1.72
CHENIERE ENERGY PARTNERS	1.69
HCA INC	1.63
TENET HEALTHCARE CORP	1.59
T-MOBILE USA INC	1.37
CLEARWAY ENERGY OP LLC	1.34
UNITED RENTALS NORTH AM	1.29

Fund Measures

Average Duration	2.86 Years
Average Weighted Maturity	3.52 Years
Standard Deviation (3 Yrs) - Class A	4.71%
Beta (3 Yrs, vs. Credit Suisse High Yield Index) - Class A	1.11

Composition of Fund

■ Franklin High Income Fund ■ Credit Suisse High Yield Index

Sector	% of Total
Energy	14.27 / 12.68
Health Care	8.99 / 7.69
Finance	7.47 / 8.09
Cable Satellite	7.40 / 5.38
Wireless	5.82 / 3.44
Industrial	5.56 / 5.15
Technology	5.36 / 7.51
Media Non Cable	5.26 / 5.37
Building	5.09 / 3.73
Others	31.39 / 40.95
Cash & Cash Equivalents	2.67 / 0.00

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. The weighted average duration of a fund reflects the effective duration of the underlying issues, based on the size of each holding.

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

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

Standard Deviation: A measure of the degree to which a fund's return varies from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that a fund's performance will fluctuate from the average return.

Important Information

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

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

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

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

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

Class A: Prior to 3/1/19, these shares were offered at a higher initial sales charge of 4.25%; thus actual returns would have differed. Total returns with sales charges have been restated to reflect the current maximum initial sales charge of 3.75%. Effective 9/10/18, Class A shares closed to new investors, were renamed Class A1 shares, and a new Class A share with a different expense structure became available. Class A performance shown has been calculated as follows: (a) for periods prior to 9/10/18, a restated figure is used based on the fund's Class A1 performance and including any Rule 12b-1 rate differential as exists between Class A1 and Class A; and (b) for periods after 9/10/18, actual Class A performance is used, reflecting all charges and fees applicable to that class. 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.

30-Day Standardized Yield: The fund's 30-day standardized yield is calculated over a trailing 30-day period using the yield to maturity on bonds and/or the dividends accrued on stocks. It may not equal the fund's actual income distribution rate, which reflects the fund's past dividends paid to shareholders.

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