



Franklin California Tax-Free Income Fund

Municipals
March 31, 2021

Fund Fact Sheet | Share Classes: A, C

Fund Description

The fund seeks to provide investors with as high a level of income exempt from federal income taxes and California personal income taxes as is consistent with prudent investment management and the preservation of shareholders' capital.

Fund Overview

Total Net Assets [All Share Classes] \$16,938 million

Fund Inception Date 2/1/1977

Dividend Frequency Accrued daily and paid monthly on the last business day

Number of Holdings 771

Share Class Information

| Share Class | CUSIP | NASDAQ Symbol |
|-------------|-------------|---------------|
| Advisor | 352 518 401 | FCAVX |
| A | 352 518 807 | FTFQX |
| C | 352 518 203 | FRCTX |
| R6 | 352 518 609 | FKTQX |

Fund Management

| | Years with Firm | Years of Experience |
|-------------------|-----------------|---------------------|
| John Wiley | 31 | 31 |
| Chris Sperry, CFA | 25 | 25 |
| John Bonelli | 10 | 10 |
| Michael Conn | 19 | 27 |

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 | Expense |
|-------------|---------|
| A | 0.76% |
| C | 1.16% |

30-Day Standardized Yield

| Share Class | Yield |
|-------------|-------|
| A | 1.42% |
| C | 1.08% |

Taxable Equivalent Yield

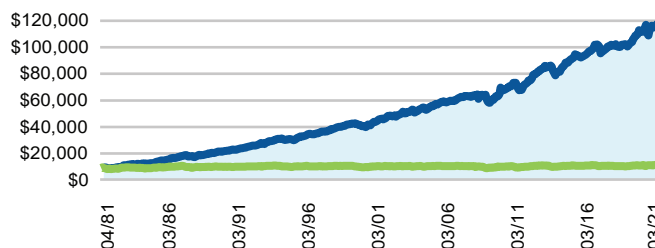
| Share Class | Yield |
|-------------|-------|
| A | 3.03% |
| C | 2.30% |

Asset Allocation (%)

| | |
|-------------------------|-------|
| Fixed Income | 98.77 |
| Cash & Cash Equivalents | 1.23 |

Performance

Growth of a \$10,000 Investment - Without Sales Charge (from 04/01/1981-03/31/2021)



Class A:
\$105,317
Total Value of Investment, Including Reinvestment of Dividends and Capital Gains

Value of Initial Investment:
\$7,679

Total Returns % (as of 3/31/2021)

| Share Class | | YTD | AVERAGE ANNUAL | | | | | Since Inception | Inception Date |
|-------------|----------------------|-------|----------------|------|-------|-------|--------|-----------------|----------------|
| | | | CUMULATIVE | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | | |
| A | With Sales Charge | -4.61 | 1.70 | 3.67 | 2.86 | 5.14 | 5.38 | 2/1/1977 | |
| A | Without Sales Charge | -0.89 | 5.66 | 5.00 | 3.65 | 5.54 | 5.47 | 2/1/1977 | |
| C | With Sales Charge | -1.85 | 4.40 | 4.52 | 3.14 | 5.01 | 4.52 | 5/1/1995 | |
| C | Without Sales Charge | -0.86 | 5.40 | 4.52 | 3.14 | 5.01 | 4.52 | 5/1/1995 | |

Calendar Year Total Returns % - Without Sales Charge

| Share Class | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|-------------|------|------|-------|------|------|------|-------|-------|-------|-------|
| A | 5.12 | 8.99 | 0.40 | 6.07 | 0.80 | 3.60 | 13.52 | -3.86 | 10.15 | 11.33 |
| C | 4.72 | 8.43 | -0.12 | 5.50 | 0.11 | 3.04 | 12.94 | -4.39 | 9.72 | 10.58 |

| Share Class | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 |
|-------------|------|-------|-------|------|------|------|------|------|------|------|
| A | 1.96 | 16.41 | -8.87 | 2.27 | 5.42 | 5.09 | 5.47 | 4.60 | 6.74 | 5.34 |
| C | 1.42 | 15.82 | -9.39 | 1.72 | 4.86 | 4.37 | 4.91 | 4.18 | 6.18 | 4.62 |

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's inception date is 2/1/77. The hypothetical Growth of a \$10,000 Investment shown commences from 4/1/81, when the fund changed its investment strategy to focus primarily on California municipal securities. Such a change may affect performance.

Fund Measures

| | |
|--------------------------------------|-------------|
| AMT Exposure | 6.04 |
| Average Duration | 7.60 Years |
| Average Weighted Maturity | 18.79 Years |
| Standard Deviation (3 Yrs) - Class A | 5.40% |

Composition of Fund

| Sector | % of Total | State / U.S. Territory Exposure | % of Total |
|---|------------|---------------------------------|------------|
| Transportation | 24.02 | California | 98.13 |
| Local | 13.56 | Cash & Cash Equivalents | 1.23 |
| Refunded | 12.04 | Other | 0.02 |
| Utilities | 10.37 | Puerto Rico | 0.62 |
| Health Care | 9.32 | | |
| Education | 8.56 | | |
| Industrial Dev. Revenue and Pollution Control | 6.15 | | |
| State General Obligation | 4.36 | | |
| Lease | 4.04 | | |
| Others | 6.35 | | |
| Cash & Cash Equivalents | 1.23 | | |

Morningstar Rating™—Class A

Overall Morningstar Rating™ As of March 31, 2021 the fund's Class A shares received a 4 star overall Morningstar Rating™, measuring risk-adjusted returns against 93, 77 and 63 U.S.-domiciled Muni California Long 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.



What Are the Risks?

All investments involve risks, including possible loss of principal. Because municipal bonds are sensitive to interest rate movements, the fund's yield and share price will fluctuate with market conditions. 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. The price of debt securities generally falls as inflation increases, and debt securities that pay a fixed rather than variable interest rate are more vulnerable to inflation risk. Because the fund invests principally in a single state, it is subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. Puerto Rico municipal bonds have been impacted by recent adverse economic and market changes, which may cause the fund's share price to decline. Changes in the credit rating of a bond, or in the credit rating or financial strength of a bond's issuer, insurer or guarantor, may affect the bond's value. The fund may invest a significant part of its assets in municipal securities that finance similar types of projects, such as utilities, hospitals, higher education and transportation. A change that affects one project would likely affect all similar projects, thereby increasing market risk. These and other risks are detailed in the fund's prospectus.

Glossary

AMT Exposure: Percentage of a fund's assets invested in bonds with income subject to the alternative minimum tax (AMT). For investors subject to the alternative minimum tax, a small portion of fund dividends may be taxable. Distributions of capital gains are generally taxable.

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 (Tax Free): An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings.

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 professional, 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.

For investors subject to the alternative minimum tax, a small portion of fund dividends may be taxable. Distributions of capital gains may be taxable.

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. On 5/1/94, these shares 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 using the net income (interest and dividends) per share earned over a trailing 30-day period (annualized), divided by the fund's share price at the end of that period. It may not equal the fund's actual income distribution rate, which reflects the fund's past dividends paid to shareholders.

Taxable Equivalent Yield: The Taxable Equivalent Yield assumes the maximum regular federal income tax rate, maximum state personal income tax rate, and the Medicare tax in effect on December 2020. This combined rate does not consider the impact of California's surcharge on taxable incomes in excess of \$1 million.

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

Uninvested cash is not included in the State / U.S. Territory Exposure table.

Morningstar Rating™: Source: Morningstar®, 3/31/21. For each mutual fund and ETF with at least a 3-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, and does not take into account the effects of sales charges and loads, 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. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. The Fund's Class A shares received a Morningstar Rating of 4, 4 and 4 star(s) for the 3-, 5- and 10-year periods, respectively. Morningstar Rating™ is for the named share class only; other classes may have different performance characteristics. **Past performance is not an indicator or a guarantee of future performance.** Source: ©Morningstar. Important data provider notices and terms available at www.franklintempletondatasources.com.

The Morningstar Rating™ for Class A shares is based on Morningstar's extended performance calculation. This means that, for a share class that doesn't have a 1, 3-, 5, or 10-year performance history, the rating shown is a hypothetical Morningstar Rating based first on the oldest active surviving share class of the fund and then any dormant or liquidated share classes. If more than one share class has the earliest inception date, Morningstar selects the share class that is freely available to investors, that is not currency-hedged, and has the lowest fee.