



Fund Fact Sheet | Share Classes: A, C

Fund Description

The fund seeks to provide a high current yield exempt from federal income taxes. Its secondary goal is capital appreciation to the extent possible and consistent with the fund's principal investment goal.

Fund Overview

Total Net Assets [All Share Classes]	\$6,144 million
Fund Inception Date	3/18/1986
Dividend Frequency	Monthly, on or near the 3rd business day
Number of Holdings	732

Share Class Information

Share Class	CUSIP	NASDAQ Symbol
Advisor	354 723 272	FHYVX
A	354 726 887	FHYQX
C	354 723 595	FHYIX
R6	354 724 585	FHYRX

Fund Management

	Years with Firm	Years of Experience
John Wiley	30	30
Francisco Rivera	25	26
Daniel Workman, CFA	16	17

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 Ratio
A	0.81%
C	1.21%

30-Day Standardized Yield

Share Class	Yield
A	1.58%
C	1.25%

Taxable Equivalent Yield

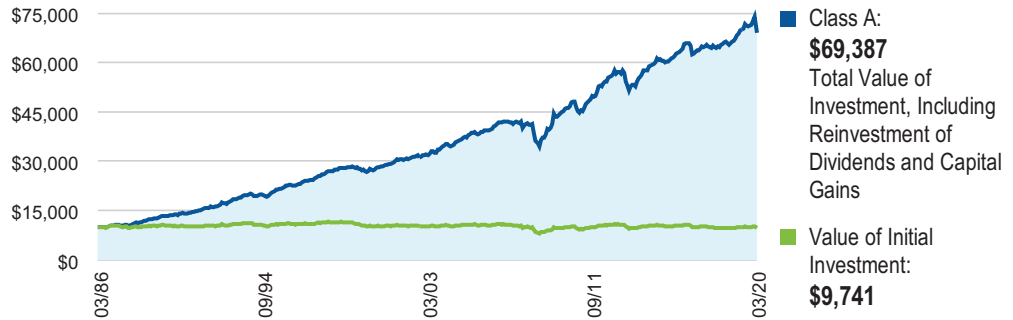
Share Class	Yield
A	2.67%
C	2.11%

Asset Allocation (%)

Fixed Income	99.00%
Cash & Cash Equivalents	1.00%

Performance

Growth of a \$10,000 Investment - Without Sales Charge (from 03/18/1986-03/31/2020)



Total Returns % (as of 3/31/2020)

Share Class		YTD	AVERAGE ANNUAL					Since Inception	Inception Date
			CUMULATIVE	1 Yr	3 Yrs	5 Yrs	10 Yrs		
A	With Sales Charge	-6.77	-2.64	1.49	1.74	3.95	5.74	3/18/1986	
A	Without Sales Charge	-3.13	1.15	2.79	2.52	4.35	5.86	3/18/1986	
C	With Sales Charge	-4.21	-0.28	2.28	1.99	3.78	4.37	5/1/1995	
C	Without Sales Charge	-3.25	0.70	2.28	1.99	3.78	4.37	5/1/1995	

Calendar Year Total Returns % - Without Sales Charge

Share Class	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
A	7.58	1.88	3.77	1.14	3.17	13.86	-6.74	11.07	12.51	2.79
C	7.06	1.44	3.13	0.57	2.65	13.35	-7.24	10.40	11.80	2.30

Share Class	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
A	27.77	-17.27	-0.17	7.48	5.43	6.86	7.97	5.12	5.87	5.84
C	26.98	-17.68	-0.67	6.89	4.80	6.42	7.29	4.63	5.28	5.25

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.

Fund Measures

AMT Exposure	10.55
Average Duration	6.11 Years
Average Weighted Maturity	17.00 Years
Standard Deviation (3 Yrs) - Class A	4.54%

Composition of Fund

Sector	% of Total	State / U.S. Territory Exposure	% of Total
Utilities	18.43	California	21.74
Transportation	18.33	Texas	8.89
Refunded	16.13	Florida	7.11
Hospital & Health Care	14.14	Colorado	5.44
General Obligation Bonds	8.06	New York	5.37
Tax Supported Debt	6.52	Michigan	4.70
Other Revenue Bonds	6.43	Illinois	4.23
Corporate Backed	3.52	New Jersey	3.22
Housing	3.12	District of Columbia	3.07
Others	4.31	Puerto Rico	2.51
Cash & Cash Equivalents	1.00	Other	33.72

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. Investments in lower-rated bonds include higher risk of default and loss of principal. 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.

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 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.

Dividends are general subject to state and local taxes, if any. 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 and the Medicare tax in effect on December 2019.

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

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