

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Franklin Municipal Securities Trust - Franklin Tennessee Municipal Bond Fund		94-3204306	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Shareholder Services	(800) 632-2301	N/A	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
One Franklin Parkway; Attn: Fund Tax Department		San Mateo, CA 94403	
8 Date of action		9 Classification and description	
November 19, 2021		Multiple classes of shares issued by a single mutual fund/regulated investment company	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
See Statement 1	N/A	See Statement 1	N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► In accordance with the Plan of Reorganization, on July 14, 2021, the tax free reorganization consisted of
(i) the acquisition by Franklin Federal Tax-Free Income Fund ("the Acquiring Fund") of substantially all of the assets of
Franklin Municipal Securities Trust - Franklin Tennessee Municipal Bond Fund ("the Target Fund") in exchange solely for full and fractional
Class A, Class A1, Class C, Class R6 and Advisor Class Shares of beneficial interest, with no par value, of the Acquiring Fund;
(ii) the distribution of Acquiring Fund shares to the holders of Class A, Class A1, Class R6 and Advisor Class Shares of beneficial interest,
with no par value, of the Target Fund, respectively, according to their respective interests in the Target Fund, in complete liquidation of the
Target Fund; and (iii) the dissolution of the Target Fund.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See Statement 1

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► There was no change in aggregate basis as a result of the above described organizational action.
For additional details see Statement 1.

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► _____
 IRC Sections 354(a), 357(a), 358(a), 361(a), 361(c), 362(b), 368(a), 1032(a), 1223(1), and 1223(2)

18 Can any resulting loss be recognized? ► No loss can be recognized as a result of this event.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► _____
The above described organizational action is reportable in the tax year 2021.

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ► Signed copy is maintained by the issuer Date ► 1/5/2022

Print your name ► Lisa Moore Title ► Assistant Treasurer - Tax

**Paid
Preparer
Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ►	Firm's EIN ►			
Firm's address ►	Phone no.			

Franklin Municipal Securities Trust - Franklin Tennessee Municipal Bond Fund

IN: 94-3204306

For the year ended November 19, 2021

Attachment to Form 8937

Attachment to Form 8937

Form 8937 Part II Line 15

Franklin Municipal Securities Trust - Franklin Tennessee Municipal Bond Fund (Acquired Fund)				Franklin Federal Tax-Free Income Fund (Acquiring Fund)			
Ticker	CUSIP	Class	NAV	Ticker	CUSIP	Class	NAV
FTQMX	354 025 827	A	11.0667	FTQAX	353 519 804	A	12.2700
FRTIX	354 025 405	A1	11.0607	FKTIX	353 519 101	A1	12.2700
				FRTIX	353 519 200	C	12.2600
FTMQX	354 025 843	R6	11.0627	FFTQX	353 519 606	R6	12.2700
FTMZX	354 025 884	Advisor	11.0687	FAFTX	353 519 408	Advisor	12.2800

NAV's shown are as of immediately prior to the merger.

Merger Ratio is the number of Acquiring Fund shares received per one Acquired Fund share surrendered.

Effect on Basis

Each shareholder has an aggregate basis in Franklin Federal Tax-Free Income Fund shares received in the merger equal to the aggregate basis of that shareholder's Franklin Municipal Securities Trust - Franklin Tennessee Municipal Bond Fund shares surrendered in the merger.

The number of Franklin Federal Tax-Free Income Fund shares received for each share of Franklin Municipal Securities Trust - Franklin Tennessee Municipal Bond Fund shares given up in exchange is as follows:

- 0.90193 shares of Franklin Federal Tax-Free Income Fund Class A shares for one Franklin Municipal Securities Trust - Franklin Tennessee Municipal Bond Fund Class A share
- 0.90144 shares of Franklin Federal Tax-Free Income Fund Class A1 shares for one Franklin Municipal Securities Trust - Franklin Tennessee Municipal Bond Fund Class A1 share
- 0 shares of Franklin Federal Tax-Free Income Fund Class C shares for one Franklin Municipal Securities Trust - Franklin Tennessee Municipal Bond Fund Class share
- 0.90161 shares of Franklin Federal Tax-Free Income Fund Class R6 shares for one Franklin Municipal Securities Trust - Franklin Tennessee Municipal Bond Fund Class R6 share
- 0.90136 shares of Franklin Federal Tax-Free Income Fund Class Advisor shares for one Franklin Municipal Securities Trust - Franklin Tennessee Municipal Bond Fund Class Advisor share