

Franklin High Income Fund

Advisor Class: FVHIX Class A: FHQRX Class C: FCHIX Class R: FHIRX Class R6: FHRRX

High Yield | Factsheet as of March 31, 2025

Investment Overview

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.

Average Annual Total Returns (%)

	Without Sales Charges					With Sales Charges					Inception Date
	1-Yr	3-Yr	5-Yr	10-Yr	Inception	1-Yr	3-Yr	5-Yr	10-Yr	Inception	
Advisor Class	7.30	5.61	7.51	4.65	7.35	7.30	5.61	7.51	4.65	7.35	12/31/1969
Class A	7.11	5.40	7.20	4.35	7.22	3.10	4.07	6.38	3.95	7.15	12/31/1969
Class C	6.45	4.80	6.80	3.95	5.59	5.45	4.80	6.80	3.95	5.59	5/16/1995
Class R	6.54	5.12	7.03	4.14	6.46	6.54	5.12	7.03	4.14	6.46	12/31/1969
Class R6	7.43	5.54	7.53	4.73	7.67	7.43	5.54	7.53	4.73	7.67	12/31/1969
Benchmark	7.60	4.84	7.20	4.91	—	7.60	4.84	7.20	4.91	—	—

Cumulative Total Returns (% Without Sales Charge)

	3-Mo	YTD	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Advisor Class	0.99	0.99	8.60	13.35	-9.15	5.15	6.92	14.45	-3.57	6.85	19.41	-10.06
Class A	0.94	0.94	7.78	13.89	-9.98	5.52	6.15	14.26	-3.75	6.72	19.31	-10.74
Class C	0.81	0.81	7.72	12.35	-9.62	4.38	6.11	14.12	-4.17	6.66	18.47	-11.07
Class R	0.84	0.84	7.79	13.08	-9.90	5.06	6.24	14.21	-4.00	6.77	18.53	-10.88
Class R6	1.02	1.02	8.11	14.20	-9.59	5.84	6.49	15.26	-3.50	7.00	19.71	-10.47
Benchmark	0.94	0.94	8.20	13.47	-11.21	5.35	6.07	14.41	-2.27	7.48	17.49	-4.61

Performance data quoted represents past performance, which does not guarantee future results. Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit franklintempleton.com.

The fund began offering Advisor Class shares on 12/31/1996, the fund began offering R Class shares on 1/2/2002, the fund began offering R6 Class shares on 5/1/2013, and the fund began offering A Class shares on 9/10/2018. Performance quotations have been calculated as follows: (a) for Advisor Class periods prior to 12/31/1996, a restated figure is used based on the fund's Class A1 performance; for R Class periods prior to 1/2/2002, a restated figure is used based on the fund's Class A1 performance; for R6 Class periods prior to 5/1/2013, a restated figure is used based on the fund's Class Advisor performance; for A Class periods prior to 9/10/2018, a restated figure is used based on the fund's Class A1 performance. The performance was adjusted to take into account differences in class-specific operating expenses and maximum sales charges. (b) For periods after share class offering, performance for the specific share class is used, reflecting the expenses and maximum sales charges applicable to that class.

Share Class Details

Share Class Details			Sales Charges (%)		Expenses (%)		30-Day SEC Yield (%)	
	CUSIP	Ticker	Max	CDSC	Gross	Net	Without Waiver	With Waiver
Advisor Class	353538309	FVHIX	0.00	—	0.60	0.59	6.75	6.76
Class A	353538887	FHQRX	3.75	—	0.85	0.84	6.23	6.24
Class C	353538200	FCHIX	0.00	1.00	1.25	1.24	6.09	6.10
Class R	353538507	FHIRX	0.00	—	1.10	1.09	6.23	6.24
Class R6	353538606	FHRRX	0.00	—	0.52	0.50	6.82	6.85

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 01/31/2026 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice. There is a 1% CDSC on any Class C shares you sell within 12 months of purchase.

Morningstar Rating™

Overall Rating as of March 31, 2025

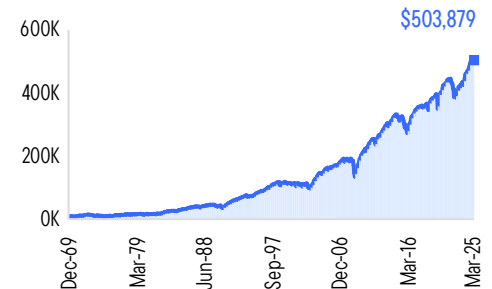
★★★★ Advisor Class

★★★ Class A

As of 03/31/2025 the fund's Advisor Class shares received a 4 star and Class A shares received a 3 star overall Morningstar rating™, measuring risk-adjusted returns against 586, 537 and 423 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.

Growth of \$10,000

Advisor Class Shares—Inception through March 31, 2025
Excluding Effects of Sales Charges



Fund Overview

Dividend Frequency, if any	Monthly
Morningstar Category	High Yield Bond
Lipper Classification	High Yield Funds
Turnover (fiscal yr)	37%

Benchmark(s)

ICE BofA US High Yield Constrained Index

Fund Characteristics

	Fund
Total Net Assets	\$2.75 Billion
Number of Holdings	336
Weighted Average Maturity	3.95 Years
Effective Duration	2.97 Years

Risk Statistics (3-Year—Advisor Class)

	Fund
Beta	0.92
R-Squared	0.98
Sharpe Ratio	0.17
Standard Deviation (%)	7.72

Top Holdings (% of Total)

	Fund
CARNIVAL CORP	1.92
CCO HLDGS LLC/CAP CORP	1.25
CAESARS ENTERTAIN INC	1.20
VENTURE GLOBAL LNG INC	1.15
MRT MID PART/MRT MID FIN	1.14
CHS/COMMUNITY HEALTH SYS	1.11
ALLIANT HOLD / CO-ISSUER	1.06
VISTRA OPERATIONS CO LLC	1.02
IRON MOUNTAIN INC	0.98
JANE STREET GRP/JSG FIN	0.96

Sector Allocation (% of Total)

	Fund	Benchmark
Energy	15.28	10.97
Finance	14.99	11.92
Industrial	7.84	4.89
Health Care	7.14	6.83
Gaming	5.00	2.43
Building	4.94	3.43
Technology	3.70	7.05
Cable Satellite	3.44	6.83
Other	36.79	45.65
Cash & Cash Equivalents	0.88	0.00

Credit Quality Exposure (% of Total)

	Fund	Benchmark
BBB	4.58	0.00
BB	48.06	53.55
B	35.02	35.09
CCC	9.56	10.47
CC	0.37	0.80
C	0.25	0.10
NR	0.56	0.00
Not Applicable	0.73	0.00
Cash & Cash Equivalents	0.88	0.00

Portfolio Data Information

Credit Quality is a measure of a bond issuer's ability to repay interest and principal in a timely manner. The credit ratings shown are based on each portfolio security's rating as provided by Standard and Poor's, Moody's Investors Service and/or Fitch Ratings, Ltd. and typically range from AAA (highest) to D (lowest), or an equivalent and/or similar rating. For this purpose, the manager assigns each security the middle rating from these three agencies. When only two agencies provide ratings, the lower of the two ratings will be assigned. When only one agency assigns a rating, that rating will be used. Foreign government bonds without a specific rating are assigned a country rating, if available. Securities that are unrated by all three agencies are reflected as such. The credit quality of the investments in the Fund's portfolio does not apply to the stability or safety of the Fund. These ratings are updated monthly and may change over time. **Please note, the Fund itself has not been rated by an independent rating agency.**

Portfolio Management

	Years with Firm	Years of Experience		Years with Firm	Years of Experience
Glenn Voyles, CFA	31	31	S. James McGiveran III, CFA	18	18
Bryant Dieffenbacher, CFA	14	18	Patricia O'Connor, CFA	27	29

What should I know before investing?

All investments involve risks, including possible loss of principal. Low-rated, high-yield bonds are subject to greater price volatility, illiquidity and possibility of default. **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. **Fixed income securities** involve interest rate, credit, inflation and reinvestment risks, and possible loss of principal. As interest rates rise, the value of fixed income securities falls. **International investments** are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. The manager may consider **environmental, social and governance (ESG) criteria** in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the fund's prospectus.

Glossary

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. **R-squared** measures the strength of the linear relationship between the fund and its benchmark. R-squared at 1 implies perfect linear relationship and zero implies no relationship exists. **Sharpe Ratio** refers to a risk-adjusted measure calculated using standard deviation and excess returns to determine reward per unit of risk. The higher the ratio, the greater the risk-adjusted performance. **Standard Deviation:** 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. The **30-day SEC 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. **Turnover** is a measure of the fund's trading activity which represents the portion of the fund's holdings that has changed over a twelve-month period through the fiscal year end. There is no assurance that the fund will maintain its current level of turnover. **Weighted Average Maturity:** An estimate of the number of years to maturity, taking the possibility of early payments into account, for the underlying holdings. **Effective Duration** is a duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. Duration measures the sensitivity of price (the value of principal) of a fixed-income investment to a change in interest rates. The higher the duration number, the more sensitive a fixed-income investment will be to interest rate changes.

Important Information

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Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at www.franklintempleton.com. Please read it carefully.