FRANKLIN TEMPLETON

Franklin California High Yield Municipal Fund

Advisor Class: FVCAX Class A: FCQAX Class C: FCAHX Class R6: FCAQX | **Municipals** | Factsheet as of September 30, 2026

Investment Overview

The fund seeks to provide investors with a high level of income exempt from regular federal and California personal income taxes, with capital appreciation as a secondary goal, by investing in municipal securities of any rating category, including higher yielding, lower-rated securities.

Average Annual Total Returns (%)

	Without Sales Charges					With Sales Charges					Inception
	1-Yr	3-Yr	5-Yr	10-Yr	Inception	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Date
Advisor Class	-1.93	3.94	-0.49	1.63	4.70	-1.93	3.94	-0.49	1.63	4.70	5/3/1993
Class A	-2.17	3.68	-0.73	1.43	4.59	-5.84	2.37	-1.49	1.04	4.47	5/3/1993
Class C	-2.66	3.25	-1.15	0.95	3.97	-3.59	3.25	-1.15	0.95	3.97	4/30/1996
Class R6	-1.88	3.99	-0.44	1.67	4.72	-1.88	3.99	-0.44	1.67	4.72	5/3/1993
Benchmark	-2.74	2.71	-0.19	1.46	—	-2.74	2.71	-0.19	1.46	—	—

Cumulative Total Returns (% Without Sales Charge)

	3-Mo	YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Advisor Class	-6.57	-3.63	3.26	4.24	5.38	-11.87	3.95	4.63	9.68	1.14	7.20	1.17
Class A	-6.63	-3.81	3.01	3.99	5.12	-12.09	3.69	4.47	9.41	1.09	7.11	1.07
Class C	-6.79	-4.08	2.57	3.44	4.78	-12.55	3.34	3.94	9.03	0.39	6.47	0.60
Class R6	-6.55	-3.59	3.31	4.28	5.41	-11.90	4.07	4.67	9.70	1.16	7.30	1.07
Benchmark	-6.04	-4.23	4.11	1.02	6.22	-8.17	1.22	5.15	7.67	1.11	5.63	-0.14

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 11/15/2006, the fund began offering R6 Class shares on 8/1/2017, 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 11/15/2006, a restated figure is used based on the fund's Class A1 performance; for R6 Class periods prior to 8/1/2017, 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

			Sales Charges (%)		Expenses (%)		30-Day SEC Yield (%)		Taxable Equivalent Yield (%)	
	CUSIP	Ticker	Max	CDSC	Gross	Net	Without Waiver	With Waiver	Without Waiver	With Waiver
Advisor Class	354025801	FVCAX	0.00	—	0.56	0.56	4.85	4.87	10.57	10.61
Class A	354025835	FCQAX	3.75	—	0.81	0.81	4.42	4.44	9.63	9.67
Class C	354025603	FCAHX	0.00	1.00	1.20	1.20	4.15	4.17	9.04	9.08
Class R6	354025850	FCAQX	0.00	—	0.51	0.51	4.91	4.91	10.70	10.70

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 06/30/2027 without Board consent. Actual expenses may be higher and may impact portfolio returns. There is a 1% CDSC on any Class C shares you sell within 12 months of purchase.

Morningstar Rating™

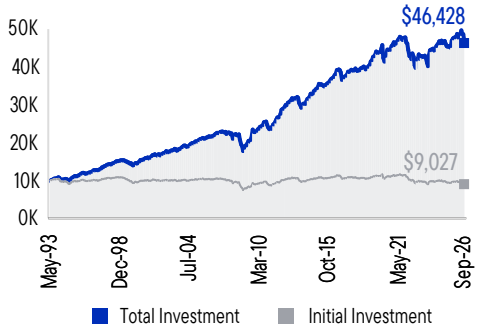
Overall Rating as of September 30, 2026

★★★★★ Advisor Class

As of 09/30/2026 the fund's Advisor Class shares received a 5 star overall Morningstar rating™, measuring risk-adjusted returns against 101, 101 and 79 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. The number of funds in the category for the Overall Rating are listed under the 3-year period.

Growth of $10,000

Advisor Class Shares—Inception through September 30, 2026
Excluding Effects of Sales Charges



Fund Overview

Dividend Frequency, if any	Monthly
Morningstar Category	Muni California Long
Lipper Classification	California Municipal Debt Funds
Turnover (fiscal yr)	14%

Benchmark(s)

Bloomberg Municipal Bond California Exempt Index

Fund Characteristics

	Fund
Total Net Assets	$3.06 Billion
Number of Holdings	831
Weighted Average Maturity	19.47 Years
Effective Duration	8.46 Years
AMT Exposure	6.08%

Risk Statistics (3-Year—Advisor Class)

	Fund
Beta	1.12
R-Squared	0.95
Sharpe Ratio	-0.08
Standard Deviation (%)	6.54

Not FDIC Insured | No Bank Guarantee | May Lose Value

Sector Allocation (% of Total)

	Fund
Special Tax	23.35
Housing	21.18
Education	12.03
Transportation	11.09
Local	9.05
Health Care	7.05
Industrial Dev. Revenue and Pollution Control	6.45
Utilities	4.13
Other	4.58
Cash & Cash Equivalents	1.09

State / U.S. Territory Allocation (% of Total)

	Fund
California	90.17
Puerto Rico	4.06
Arizona	1.65
N/A	0.67
Guam	0.61
Texas	0.53
Minnesota	0.42
Wisconsin	0.33
Other	0.47
Cash & Cash Equivalents	1.09

Credit Quality Allocation (% of Total)

	Fund
AAA	1.80
AA	20.14
A	14.30
BBB	9.32
BB	5.35
B	1.27
CCC	0.06
Refunded	0.85
NR	45.83
Cash & Cash Equivalents	1.09

Portfolio Data Information

Ratings shown are assigned by one or more Nationally Recognized Statistical Rating Organizations (NRSRO), such as S&P Global Ratings, Moody's Investors Service and Fitch Ratings, Inc. When ratings from multiple agencies are available, the highest is used, consistent with the portfolio investment process. Ratings reflect an NRSRO's opinion of an issuer's creditworthiness and typically range from AAA (highest) to D (lowest). The Refunded category consists of refunded bonds secured by the US government or other high-quality securities. The Not Rated category consists of ratable securities that have not been rated by an NRSRO. The Not Applicable category consists of third-party exchange-traded funds and securities that have only a short-term rating and are not cash equivalents. Cash includes equivalents, which may be rated. The methodology used for the calculation of credit quality ratings displayed may differ from the methodology for monitoring investment limits, if applicable. **Please note, the portfolio itself has not been rated by an independent rating agency.**

Portfolio Management

	Years with Firm	Years of Experience
Chris Sperry, CFA	30	30
John Bonelli	16	16
Daniel Workman, CFA	23	23
Michael Conn	25	33

What should I know before investing?

All investments involve risks, including possible loss of principal. 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. Portfolios focused on a **single state** are subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. **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. **Low-rated, high-yield bonds** are subject to greater price volatility, illiquidity and possibility of default. An investor may be subject to the federal **Alternative Minimum Tax**, and state and local taxes may apply. 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 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. **AMT Exposure** measures the percentage of a fund's assets invested in bonds with income subject to the alternative minimum tax (AMT). **Taxable Equivalent Yield:** The Taxable Equivalent Yield assumes the maximum regular federal income tax rate, maximum state personal income tax, and Medicare tax in effect on March 2026.

Important Information

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The **Bloomberg California Municipal Bond Exempt Index** is a market value-weighted index of California investment-grade fixed-rate municipal bonds with maturities of one year or more.

Source: Bloomberg Indices. Important data provider notices and terms available at www.franklintempletondatasources.com. All data is subject to change.

Morningstar Rating™: Source: Morningstar®, 09/30/2026. 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 Advisor Class shares received a Morningstar Rating of 5, 5 and 5 star(s) for the 3-, 5- and 10-year periods, respectively. Franklin Templeton provides this fund's Morningstar Rating™ for Advisor Class shares only. Other share classes may have different Morningstar ratings. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this 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.