



Franklin National Tax-Free Funds

Earn Monthly Tax-Free Income

December 31, 2014

	Franklin Federal Limited-Term Tax-Free Income Fund	Franklin Federal Intermediate-Term Tax-Free Income Fund	Franklin Federal Tax-Free Income Fund	Franklin High Yield Tax-Free Income Fund
Fund Description¹	Seeks to provide investors with as high a level of income exempt from federal income taxes as is consistent with prudent investment management and the preservation of shareholders' capital. The fund maintains a dollar-weighted average portfolio maturity of five years or less.	Seeks to provide investors with as high a level of income exempt from federal income taxes as is consistent with prudent investment management and the preservation of shareholders' capital. The fund maintains a dollar-weighted average portfolio maturity of three to 10 years.	Seeks to provide investors with as high a level of income exempt from federal income taxes as is consistent with prudent investment management and the preservation of shareholders' capital.	Seeks to provide investors with 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. The fund may invest in securities in any rating category.
Symbols/CUSIPs	Class A: FFTFX Advisor Class: FTFZX	Class A: FKITX Class C: FCITX Advisor Class: FITZX	Class A: FKTIX Class C: FRFTX Advisor Class: FAFTX	Class A: FRHIX Class C: FHYIX Advisor Class: FHYVX
Total Net Assets²	\$1.13 billion	\$4.47 billion	\$11.40 billion	\$8.41 billion
Portfolio Managers³ Managed Fund Since	James Conn, CFA, 2003 John Pomeroy, 2003	John Pomeroy, 1992 James Conn, CFA, 1999	Carrie Higgins, 2004 Francisco Rivera, 1996 Sheila Amoroso, 1987	John Wiley, 1991 Francisco Rivera, 2004 Daniel Workman, CFA, 2009
Lipper Category	Short Municipal Debt Funds	Intermediate Municipal Debt Funds	General & Insured Municipal Debt Funds	High Yield Municipal Debt Funds
Lipper Ranking⁴ Cumulative Total Return Class A Rank/# of Funds	1-Year 33/99 3-Year 28/85 5-Year 12/72 10-Year 10/48	1-Year 77/216 3-Year 69/182 5-Year 25/147 10-Year 20/102	1-Year 82/258 3-Year 104/231 5-Year 79/207 10-Year 26/156	1-Year 71/136 3-Year 95/112 5-Year 67/98 10-Year 12/64
Average Weighted Maturity²	2.90 years	8.00 years	18.70 years	20.70 years
AMT Exposure²	0.00%	0.00%	1.43%	5.23%
Sector Breakdown²	Utilities 19.30% Transportation 16.50% Hospital & Health Care 16.12% Tax Supported Debt 9.21% General Obligation Bonds 9.18% Refunded 6.98% Subject to Government Appropriation 6.08% Corporate Backed 4.98% Cash & Cash Equivalents 4.05% Other 7.60%	Utilities 16.95% General Obligation Bonds 15.62% Transportation 13.97% Subject to Government Appropriation 11.49% Hospital & Health Care 10.04% Refunded 8.70% Higher Education 6.43% Tax Supported Debt 5.76% Cash & Cash Equivalents 3.88% Other 7.16%	General Obligation Bonds 22.35% Utilities 20.68% Transportation 15.04% Subject to Government Appropriation 14.52% Tax Supported Debt 7.58% Hospital & Health Care 6.03% Other Revenue Bonds 4.48% Higher Education 2.73% Cash & Cash Equivalents 4.71% Other 1.89%	General Obligation Bonds 29.37% Utilities 13.78% Transportation 13.11% Subject to Government Appropriation 8.14% Refunded 7.53% Other Revenue Bonds 7.17% Higher Education 7.00% Tax Supported Debt 5.32% Cash & Cash Equivalents 3.43% Other 5.15%

Not FDIC Insured | May Lose Value | No Bank Guarantee

A RECORD OF STRONG LONG-TERM PERFORMANCE**Average Annual Total Returns—Class A** (Period Ended December 31, 2014)

With Maximum 4.25% (2.25% for Franklin Federal Intermediate-Term Tax-Free Income Fund and Franklin Federal Limited-Term Tax-Free Income Fund) Sales Charge

	1-Year	3-Year	5-Year	10-Year	Since Inception (Date)	30-Day Standardized Yield ⁷	Taxable Equivalent Yield ⁸	Total Annual Operating Expenses
Franklin Federal Limited-Term Tax-Free Income Fund ⁵	-1.18%	0.38%	1.55%	2.34%	2.26% 9/2/03	0.04% without waiver ⁹ 0.25% with waiver	0.07% without waiver ⁹ 0.44% with waiver	0.84% without waiver ⁹ 0.63% with waiver
Franklin Federal Intermediate-Term Tax-Free Income Fund ⁵	4.49%	2.45%	1.66%	3.92%	5.01% 9/21/92	1.21%	2.14%	0.65%
Franklin Federal Tax-Free Income Fund ^{5, 6}	6.49%	3.52%	4.64%	4.32%	6.73% 10/7/83	1.87%	3.30%	0.62%
Franklin High Yield Tax-Free Income Fund ^{5, 6}	9.07%	4.14%	5.47%	4.56%	6.31% 3/18/86	2.88%	5.09%	0.63%

Performance data represents past performance, which does not guarantee future results. Current performance may differ from figures shown. The funds' investment returns and principal values will change with market conditions, and an investor may have a gain or a loss when they sell their shares. Please call Franklin Templeton Investments at (800) DIAL BEN/342-5236 or visit franklintempleton.com for the funds' most recent month-end performance.

Additional Opportunities for Tax-Exempt Income**Franklin State-Specific Funds¹⁰**

Alabama	Georgia	Minnesota	Oregon
Arizona	Kentucky	Missouri	Pennsylvania
California (4 funds)	Louisiana	New Jersey	Tennessee
Colorado	Maryland	New York ¹¹ (2 funds)	Virginia
Connecticut	Massachusetts	North Carolina	
Florida	Michigan	Ohio	

To find out more about any Franklin tax-free income fund, national or state-specific, please ask your financial advisor. Or call us at (800) DIAL BEN/342-5236 to receive a free fund fact sheet and prospectus.

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 fund holds a small portion of its assets in Puerto Rico municipal bonds that 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.

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.

- Dividends are generally 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 are generally taxable.
- As of 12/31/14. Holdings are subject to change. For updated information, call Franklin Templeton Investments at (800) DIAL BEN/342-5236 or visit franklintempleton.com.
- CFA[®] and Chartered Financial Analyst[®] are trademarks owned by CFA Institute.
- Source: Lipper, Inc., 12/31/14. Lipper figures do not include sales charges and are for the fund's Class A shares only; other share classes may differ. **Past performance does not guarantee future results.**
- The fund offers other share classes subject to different fees and expenses that will affect their performance.
- On 5/1/94, Class A shares implemented a Rule 12b-1 plan, which affects subsequent performance.
- The 30-Day Standardized Yield reflects an estimated yield to maturity. It should be regarded as an estimate of the fund's rate of investment income, and it may not equal

the fund's actual income distribution rate, which reflects the fund's past dividends paid to shareholders.

- Assumes the maximum regular federal income tax rate and the Medicare tax in effect on December 2014.
- The fund has an expense reduction contractually guaranteed through at least June 30, 2015. The fund may also have a fee waiver associated with any investments it makes in a Franklin Templeton money fund, an arrangement that is contractually guaranteed through at least its current fiscal year end. Fund investment results reflect the expense reduction and fee waiver, as applicable; without these reductions, the results would have been lower.
- For investors subject to the alternative minimum tax, a small portion of fund dividends may be taxable. Distributions of capital gains are generally taxable.
- Although the funds have the ability to invest up to 20% of their assets in bonds subject to the alternative minimum tax, the funds seek to maintain a 0% AMT exposure. Distributions of capital gains are generally taxable.



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