Franklin California Tax-Free Income Fund

Fund Description
The fund seeks to provide investors with as high a level of income exempt from federal income taxes and California personal income taxes as is consistent with prudent investment management and the preservation of shareholders’ capital.

Fund Overview
Total Net Assets $17,335 million [All Share Classes]
Fund Inception Date 2/1/1977
Dividend Frequency Accrued daily and paid monthly on the last business day
Number of Holdings 882

Share Class Information

<table>
<thead>
<tr>
<th>Share Class</th>
<th>CUSIP</th>
<th>NASDAQ Symbol</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advisor</td>
<td>352 518 401</td>
<td>FCAVX</td>
</tr>
<tr>
<td>A</td>
<td>352 518 807</td>
<td>FTFOX</td>
</tr>
<tr>
<td>C</td>
<td>352 518 203</td>
<td>FRCTX</td>
</tr>
<tr>
<td>R6</td>
<td>352 518 609</td>
<td>FKTQX</td>
</tr>
</tbody>
</table>

Share Class: Advisor

Maximum Sales Charge
Advisor Class: None

Total Annual Operating Expenses
Share Class
Advisor: 0.51%

30-Day Standardized Yield
Share Class
Advisor: 1.44%

Taxable Equivalent Yield
Share Class
Advisor: 3.07%

Asset Allocation (%)
- Fixed Income: 97.98%
- Cash & Cash Equivalents: 2.02%

Performance
Growth of a $10,000 Investment - Without Sales Charge (from 04/01/1981-06/30/2021)

Total Returns % (as of 6/30/2021)

<table>
<thead>
<tr>
<th>Share Class</th>
<th>CUMULATIVE</th>
<th>AVERAGE ANNUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YTD</td>
<td>1 Yr</td>
</tr>
<tr>
<td>Since Inception Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advisor</td>
<td>1.54%</td>
<td>4.97%</td>
</tr>
<tr>
<td>2/1/1977</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>5.26%</td>
<td>6.19%</td>
</tr>
<tr>
<td>2009</td>
<td>9.28%</td>
<td>5.38%</td>
</tr>
<tr>
<td>2008</td>
<td>0.53%</td>
<td>5.38%</td>
</tr>
<tr>
<td>2007</td>
<td>6.19%</td>
<td>5.38%</td>
</tr>
<tr>
<td>2006</td>
<td>0.78%</td>
<td>5.38%</td>
</tr>
<tr>
<td>2005</td>
<td>3.71%</td>
<td>5.38%</td>
</tr>
<tr>
<td>2004</td>
<td>13.66%</td>
<td>5.38%</td>
</tr>
<tr>
<td>2003</td>
<td>-3.77%</td>
<td>5.38%</td>
</tr>
<tr>
<td>2002</td>
<td>10.43%</td>
<td>5.38%</td>
</tr>
<tr>
<td>2001</td>
<td>11.31%</td>
<td>5.38%</td>
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Calendar Year Total Returns %

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Fund Measures
AMT Exposure: 6.64%
Average Duration: 6.98 Years
Average Weighted Maturity: 17.66 Years
Standard Deviation (3 Yrs) - Advisor Class: 5.38%

The fund’s inception date is 2/1/77. The hypothetical Growth of a $10,000 Investment shown commences from 4/1/81, when the fund changed its investment strategy to focus primarily on California municipal securities. Such a change may affect performance.

Advisor Class shares do not have sales charges or 12b-1 fees and are offered only to certain eligible investors as stated in the prospectus.

The fund’s 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.

Tel: (800) DIAL BEN/342-5236 franklintempleton.com
Not FDIC insured | May Lose Value | No Bank Guarantee
A percentage of a fund’s assets invested in bondswith interest subject to the alternative minimum tax (AMT). For investors subject to the alternative minimum tax, a small portion of fund assets may invest as a significant part of its assets in municipalsecurities 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. These and other risks are detailed in the fund’s prospectus.

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 be vulnerable to inflation risk. Because the fund invests principally in a single state, it is subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. 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. These and other risks are detailed in the fund’s prospectus.

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 price of debt securities generally falls as inflation increases, and debt securities that pay a fixed rather than variable interest rate are more vulnerable to inflation risk. Because the fund invests principally in a single state, it is subject to greater risk of adverse economic and regulatory changes in that state than a geographically diversified fund. 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. These and other risks are detailed in the fund’s prospectus.

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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 effective duration, 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 professional, 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.

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.

**Advisor:** Effective 10/1/01, the fund began offering Advisor Class Shares. For periods prior to the fund's Advisor Class inception date, a restated figure is used based on the fund's oldest share class, Class A1 performance, excluding the effect of Class A1's maximum initial sales charge but reflecting the effect of the Class A1 Rule 12b-1 fee; and for periods after the fund's Advisor Class inception date, actual Advisor Class performance is used, reflecting all charges and the fees applicable to that class.

**Morningstar Rating™—Advisor Class**

As of June 30, 2021 the fund’s Advisor Class shares received a 4 star overall Morningstar Rating™, measuring risk-adjusted returns against 92, 76 and 61 U.S.- domiciled 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.

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**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, maximum state personal income tax rate, and the Medicare tax in effect on June 30, 2021. This combined rate does not consider the impact of California’s surcharge on taxable incomes in excess of $1 million.

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

**Morningstar Rating™:** Source: Morningstar®, 6/30/21. 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 4, 4 and 4 star(s) for the 3-, 5- and 10-year periods, respectively. Morningstar Rating™ is for the named share class only; other classes may have different performance characteristics. Past performance is not an indicator or a guarantee of future performance. Source: ©Morningstar. Important data provider notices and terms available at www.franklintempletondatasources.com.

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