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FRANKLIN MULTI INCOME TRUST
Form 40-17F2
August 22, 2007

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-17F-2

CERTIFICATE OF ACCOUNTING OF SECURITIES AND SIMILAR INVESTMENTS IN THE
CUSTODY OF MANAGEMENT INVESTMENT COMPANIES

PURSUANT TO RULE N-17F-2

1. Investment Company Act File Number: 811-05873 Date Examination completed: July 5, 2006

2. State Identification Number:

AL	AK	AZ	AR	CA	CO
CT	DE	DC	FL	GA	HI
ID	IL	IN	IA	KS	KY
LA	ME	MD	MA	MI	MN
MS	MO	MT	NE	NV	NH
NJ	NM	NY	NC	ND	OH
OK	OR	PA	RI	SC	SD
TN	TX	UT	VT	VA	WA
WV	WI	WY	PUERTO RICO		

3. Exact name of investment company as specified in registration statement:

FRANKLIN MULTI-INCOME TRUST

4. Address of principal executive office: (number, street, city, state, zip code)

One Franklin Parkway San Mateo, CA 94403

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of

Franklin Templeton Variable Insurance Products Trust
Franklin Value Investors Trust
Institutional Fiduciary Trust
Franklin Capital Growth Fund
Franklin High Income Trust
Franklin Multi-Income Trust

We have examined management's assertion, included in the accompanying Management Statement Regarding Compliance with Certain Provisions of the Investment Company Act of 1940, about the funds' (hereafter referred to as the "Funds") compliance (see Attachment I) with the requirements of subsections (b) and (c) of Rule 17f-2 under the Investment Company Act of 1940 ("the Act") as of May 31, 2004. Management is responsible for the Funds' compliance with those requirements. Our

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responsibility is to express an opinion on management's assertion about the Funds' compliance based on our examination.

Our examination was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included examining, on a test basis, evidence about the Funds' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Included among our procedures were the following tests performed as of May 31, 2004, and with respect to agreement of security purchases and sales, for the periods indicated in Attachment I:

- o Inspection of the records of Franklin Templeton Investor Services, Inc. as they pertain to the security positions owned by the Funds and held in book entry form.
- o Reconciliation of such security positions to the books and records of the Funds.
- o Agreement of a sample of security purchases and sales since our last report to the books and records of the Funds.

We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Funds' compliance with specified requirements.

In our opinion, management's assertion that the Funds were in compliance with the requirements of subsections (b) and (c) of Rule 17f-2 of the Investment Company Act of 1940 as of May 31, 2004 with respect to securities reflected in the investment accounts of the Funds is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Trustees, management, and the Securities and Exchange Commission and is not intended to be and should not be used by anyone other than these specified parties.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
San Francisco, California
July 5, 2006

MANAGEMENT STATEMENT REGARDING COMPLIANCE WITH CERTAIN PROVISIONS OF THE INVESTMENT COMPANY ACT OF 1940

We, as members of management of the Franklin Templeton Funds indicated in Attachment I (the "Funds"), are responsible for complying with the requirements of subsections (b) and (c) of Rule 17f-2, "Custody of Investments by Registered Management Investment Companies," of the Investment Company Act of 1940. We are also responsible for establishing and maintaining effective internal controls over compliance with those requirements. We have performed an evaluation of the Funds' compliance with the requirements of subsection (b) of Rule 17f-2, as interpreted in Franklin Investors Securities Trust SEC No-Action Letter (publicly available September 24, 1992), and subsection (c) of Rule 17f-2 of the Investment Company Act of 1940, as of May 31, 2004, and for the periods indicated in Attachment I.

Based on this evaluation, we assert that the Funds were in compliance with the requirements of subsection (b) of Rule 17f-2, as interpreted in Franklin Investors Securities Trust SEC No-Action Letter (publicly available September 24, 1992), and subsection (c) of Rule 17f-2 of the Investment Company Act of 1940, as of May 31, 2004, and for the periods indicated in Attachment I, with respect to securities reflected in the investment accounts of the Funds.

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By:

/s/ Galen G. Vetter

 GALEN G. VETTER
 CHIEF FINANCIAL OFFICER

6/21/06

 Date

/s/ Jimmy D. Gambill

 JIMMY D. GAMBILL
 SENIOR VICE PRESIDENT AND CHIEF EXECUTIVE
 OFFICER-FINANCE AND ADMINISTRATION

6/26/06

 Date

ATTACHMENT I

FUND

PERIODS COVERED

 FRANKLIN TEMPLETON VARIABLE INSURANCE PRODUCTS TRUST:

Templeton Foreign Securities Fund	March 31, 2004 - May 31, 2004
Franklin Strategic Income Securities Fund	March 31, 2004 - May 31, 2004
Franklin Small Cap Value Securities Fund	March 31, 2004 - May 31, 2004
Franklin Small Cap Fund	March 31, 2004 - May 31, 2004
Franklin Rising Dividends Securities Fund	March 31, 2004 - May 31, 2004
Templeton Global Asset Allocation Fund	March 31, 2004 - May 31, 2004

FRANKLIN VALUE INVESTORS TRUST:

Franklin MicroCap Value Fund	December 31, 2003 - May 31, 2004
Franklin Small Cap Value Fund	December 31, 2003 - May 31, 2004
Franklin Large Cap Value Fund	December 31, 2003 - May 31, 2004
Franklin Balance Sheet Investment Fund	December 31, 2003 - May 31, 2004

INSTITUTIONAL FIDUCIARY TRUST:

Franklin Structured Large Cap Growth Equity Fund	October 31, 2003 - May 31, 2004
Franklin Structured Large Cap Core Equity Fund	October 31, 2003 - May 31, 2004

FRANKLIN CAPITAL GROWTH FUND

July 31, 2003 - May 31, 2004

FRANKLIN HIGH INCOME TRUST:

Franklin AGE High Income Fund	March 31, 2004 - May 31, 2004
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FRANKLIN MULTI-INCOME TRUST

March 31, 2004 - May 31, 2004