

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus<sup>1</sup>.
- It is important to read the Prospectus before deciding whether to purchase shares in the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.
- Please refer to the Singapore representative's website for the latest version of this Product Highlights Sheet.

### Franklin Floating Rate Fund Plc (the "Fund")

<b>Product Type</b>	<b>Investment Company</b>	<b>Launch Date</b>	01/12/1999	
<b>Alternative Investment Fund Manager</b>	<b>Franklin Templeton International Services S.à r.l.</b>	<b>Depository</b>	J.P. Morgan Bank (Ireland) plc	
<b>Investment Manager</b>	<b>Franklin Advisers, Inc.</b>			
<b>Trustee</b>	<b>Nil</b>	<b>Dealing Frequency</b>	Daily (Dealing Days only)	
<b>Capital Guaranteed</b>	<b>No</b>	<b>Expense Ratio for Financial Year Ended 31/07/2017</b>	<b>Share Class</b>	<b>Range</b>
<b>Name of Guarantor</b>	<b>Not applicable</b>		A	1.19%
			AX	1.39%
			B~	2.19%
			C	1.99%
			N	1.89%
			Z	0.89%

#### PRODUCT SUITABILITY

##### WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek a high level of current income and capital preservation; and
- are comfortable with the volatility and risks of the Franklin Floating Rate Master Trust (the "Master Fund").

The principal may be at risk.

##### Further Information

Please refer to "Investment Objective and Policy" section of the Singapore Prospectus.

#### KEY PRODUCT FEATURES

##### WHAT ARE YOU INVESTING IN?

- You are investing in an open-ended collective investment scheme constituted in Ireland that aims to provide you with a high level of current income and capital preservation.
- The Fund is a retail alternative investment fund (AIF) which feeds into the Master Fund and is not a UCITS (Undertaking for the Collective Investment of Transferable Securities).
- It is anticipated that under normal circumstances, you will receive, in the case of investments in distribution share classes, regular distributions depending on the distribution share classes you are investing in. Subject to any legal or regulatory requirements, distributions may also be made out of the capital of the Fund. Where distributions are made out of capital, it will result in a reduction in the net asset value of the Fund.

Refer to "Investment Objective and Policy" section of the Singapore Prospectus and the "Dividend Distribution Policy of the Company" section of the Ireland Prospectus.

##### Investment Strategy

- The Fund will invest up to 100% of its net assets in shares in the Master Fund.
- The Master Fund's investment goal is to provide as high a level of current income and preservation of capital as is consistent with investment primarily in senior secured corporate loans and corporate debt securities with floating interest rates.
- The Master Fund normally invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in corporate loans and corporate debt securities that are made to, or issued by, borrowers that are U.S. companies, non-U.S. borrowers and U.S. subsidiaries of non-U.S. borrowers and that have floating interest rates.
- It may also invest, amongst others, in (i) corporate loans or corporate debt securities of non-U.S. corporations located in developed markets (limited to 65% of assets) and emerging markets (limited to 35% of net assets), (ii) short term debt securities and obligations, U.S. government securities, U.S. government agency securities, bank money market instruments, bankers acceptances and corporate and commercial obligations (limited to 20% of the Master Fund's total assets), (iii) other investment companies, including closed-end funds and exchange traded funds to the extent permitted by the 1940 Act of the US SEC (limited to 5% of Master Fund's net assets).
- The Master Fund can use derivatives for hedging and efficient portfolio management.
- The Fund may invest up to 10% of its net assets in the Franklin Templeton Series II Funds – Franklin Upper Tier Fund ("Upper Tier Fund").

Refer to "Investment Considerations" and "Investment Techniques" sections of the Ireland Prospectus.

<sup>1</sup>The Prospectus (comprising the Singapore and Luxembourg Prospectuses) is available for collection from the office of Templeton Asset Management Ltd at 7 Temasek Boulevard, #38-03 Suntec Tower One, Singapore 038987 and its appointed distributors during business hours, or accessible at [www.franklintempleton.com.sg](http://www.franklintempleton.com.sg).

~ Class B Shares will no longer be available for subscription with effect from 1 April 2016.

<ul style="list-style-type: none"> <li>The Upper Tier Fund seeks a high level of current income and preservation of capital, while outperforming the JP Morgan Leveraged Loan, BB sub-Index over 3 years rolling periods. It does so by investing at least 85% of its net assets in a diversified portfolio of floating rate first lien senior secured institutional syndicated bank loans primarily issued by non-financial U.S., Luxembourg and Developed Market entities and corporations, and in collateralized loan obligations.</li> </ul>	
<b>KEY PRODUCT FEATURES</b>	
<b>Parties Involved</b>	
<p><b>WHO ARE YOU INVESTING WITH?</b></p> <ul style="list-style-type: none"> <li>The AIFM of the Fund is Franklin Templeton International Services S.à r.l.</li> <li>The investment manager of the Fund and Master Fund is Franklin Advisers, Inc.</li> <li>The Depository of the Fund is J.P. Morgan Bank (Ireland) plc.</li> <li>The Singapore representative of the Fund is Templeton Asset Management Ltd.</li> </ul>	<p>Refer to “Management and Administration” and “Other Parties” sections of the Singapore Prospectus.</p>
<b>KEY RISKS</b>	
<p><b>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</b>  <b>The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment. As the Fund invests up to 100% into the Master Fund, the key risks of the Master Fund are set out below.</b></p>	<p>Refer to “Risk Factors” section of the Singapore Prospectus and “Risk Factors” section of the Ireland Prospectus.</p>
<b>Market and Credit Risks</b>	
<p><b>You are exposed to credit risks of issuers.</b></p> <ul style="list-style-type: none"> <li>If an issuer fails to make principal and interest payments when due, the value of your investments in such issuers will be adversely affected. The Master Fund invests principally in corporate securities where there is generally greater risk of default than in the case of government securities.</li> <li>The Fund may invest in low-rated, unrated or non-investment grade debt securities or instruments. Such investments may fluctuate significantly, more so than investment grade securities, and there is a greater likelihood that the issuer may default, subjecting your investment to losses.</li> </ul>	
<b>Liquidity Risks</b>	
<p><b>Fund liquidity may be affected during exceptional circumstances.</b></p> <ul style="list-style-type: none"> <li>The Fund may not be able to easily sell securities during an economic event or due to deterioration in the creditworthiness of issuers in which it invests.</li> <li>Shares of the Fund may be redeemed on any Dealing Day. However, during a period when trading on relevant exchanges or the over-the-counter market is substantially restricted or when market conditions make it impracticable to dispose of or value any of the Fund's investments, redemption of the Shares may be suspended.</li> <li>Redemptions of Shares may be deferred when more than 10% of the value of the Fund's Shares are redeemed or exchanged on any one Dealing Day.</li> </ul> <p><b>The Fund is not listed.</b></p> <ul style="list-style-type: none"> <li>There is no secondary market for the Fund. All redemption requests should be made to the Singapore representative, either directly or through the financial advisor or distributor from whom you purchased the Fund.</li> </ul>	<p>Refer to “Redemption of Shares” and “Exchange of Shares” and “Suspension of Issue, Valuation and Redemption of Shares” sections of the Singapore Prospectus.</p>
<b>Product-Specific Risks</b>	
<p><b>You are exposed to highly leveraged transactions tied to variable interest rates.</b></p> <ul style="list-style-type: none"> <li>Highly leveraged transactions typically involve the purchase of a bank loan issued by a company that has a high amount of debt in relation to its equity. Such transactions expose the Master Fund to the risk that the issuer defaults on its obligations, resulting in losses to the Master Fund.</li> <li>Such loans are tied to general interest rates, which may fluctuate over time.</li> </ul> <p><b>You are exposed to restructuring companies (“event”) risk.</b></p> <ul style="list-style-type: none"> <li>The Master Fund and Upper Tier Fund invest in the securities of restructuring companies related to mergers, consolidations, liquidations and reorganizations, which involve greater credit risks and the possibility that the “event” may not turn out as expected, exposing them to potential losses.</li> </ul> <p><b>You are exposed to repurchase agreement risk.</b></p> <ul style="list-style-type: none"> <li>The Master Fund and Upper Tier Fund may engage in collateralized repurchase transactions, where there is a risk that the counterparty defaults and the collateral received may be less than the cash placed out under the agreement.</li> </ul> <p><b>You are exposed to derivatives risk.</b></p> <ul style="list-style-type: none"> <li>The Master Fund and Upper Tier Fund may invest in derivatives which may be purchased on regulated markets or over-the-counter for hedging purposes or for efficient portfolio management. There is no guarantee that these techniques will be achieved as intended.</li> <li>The Master Fund and Upper Tier Fund may invest in structured products and derivatives such as credit default swaps, total return swaps, interest rate, index or foreign exchange swaps, futures, forwards and options, all of which are subject to significant liquidity and counterparty risks.</li> </ul> <p><b>You are exposed to counterparty risk.</b></p> <ul style="list-style-type: none"> <li>When entering into over-the-counter bilateral contracts for derivatives used for hedging purposes or for efficient portfolio management, the Master Fund and Upper Tier Fund may find themselves exposed to risks arising from the solvency of their counterparties and from the counterparties’ ability to respect the conditions of these contracts.</li> </ul> <p><b>You are exposed to hedged class shares risk.</b></p> <ul style="list-style-type: none"> <li>The Fund is offered in Hedged Class Shares in addition to various unhedged Class Shares. The intent of the Hedged Class Shares is to offer a return that closely tracks the comparable USD Class Shares less hedging costs, but in a currency other than base currency, which is accomplished using forward foreign currency contracts or currency options.</li> </ul>	

There is a risk that such techniques will not achieve their intended objective, that hedging costs may be higher than expected, or that hedging will limit gains the investor would have otherwise earned if the Class Currency falls against the base currency of the Fund.

## FEES AND CHARGES

### WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Investors should note that subscriptions for Shares through any distributor appointed by the Managers may incur additional fees and charges.

#### Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum (where applicable):

Share classes	Sales Charge	Contingent Deferred Sales Charge (CDSC) <sup>2</sup>	Exchange Charge/ Switching Fee
Share Class A*	Currently 3.00% [max. 6.50%]	N/A	1.00%
Share Class AX*	Currently 3.00% [max. 6.50%]	N/A	1.00%
Share Class B <sup>-</sup>	N/A	<u>Years since purchase</u> <ul style="list-style-type: none"> <li>• Less than one year (4.00%)</li> <li>• 1 year ≤ but &lt; 2 year (3.00%)</li> <li>• 2 year ≤ but &lt; 3 year (2.00%)</li> <li>• 3 year ≤ but &lt; 4 year (1.00%)</li> <li>• ≥ 4 year (0.00%)</li> </ul>	N/A
Share Class C	N/A	<u>Years since purchase</u> <ul style="list-style-type: none"> <li>• Less than 1 year (1.00%)</li> <li>• ≥ 1 year N.A.</li> </ul>	N/A
Share Class N	Currently 3.00% [max. 3.00%]	N/A	1.00%
Share Class Z	N/A	N/A	1.00%

\*The CDSC for Class A shares and Class AX shares applies for redemptions of US\$1 million or more.

#### Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the AIFM, Investment Manager, Administrator, Depositary and Distributor:

Share classes	Investment Management Fee	Maintenance & Distribution Fee <sup>3</sup>	Others <sup>4</sup>
Share Class A	Nil	Maintenance: Up to 0.30%	<ul style="list-style-type: none"> <li>• Depositary Fee: Up to 0.025% p.a. of the average daily NAV of the Fund</li> <li>• Administration Fee: Up to 0.60% p.a. of the average daily NAV of the Fund</li> <li>• AIFM Fee: Up to 0.26% p.a. of the average daily NAV of the Fund</li> </ul>
Share Class AX	Nil	Distribution: Up to 0.50%	
Share Class B <sup>-</sup>	Nil	Maintenance: Up to 0.25% Distribution: Up to 1.05%	
Share Class C	Nil	Distribution: Up to 1.10%	
Share Class N	Nil	Distribution: Up to 1.00%	
Share Class Z	Nil	Nil	

#### Payable by the Master Fund

The fees and charges paid by the Master Fund and Upper Tier Fund to various parties are stated under the Fees and Charges section of the Singapore Prospectus.

Refer to the “Fee and Charges” section of the Singapore Prospectus and the “Fees and Expenses” section of the Ireland Prospectus.

## VALUATIONS AND EXITING FROM THIS INVESTMENT

<sup>2</sup>Based on the lesser of the NAV of Shares redeemed (exclusive of reinvested dividends) or the total cost of Shares when purchased.

<sup>3</sup>Payable to the distributor in respect of provision of services to investors on an on-going basis based on the applicable average net asset value.

<sup>4</sup>Payable to AIFM, depositary, registrar and transfer, corporate, domiciliary and administrative agent (as applicable).

**HOW OFTEN ARE VALUATIONS AVAILABLE?**

- Daily valuations are available on Dealing Days, which refer to days which are both a New York Business Day and Singapore Business Day (as defined below), or otherwise as the Directors may from time to time determine.
- A “New York Business Day” is a day on which the NYSE is open for business, and/or such other business day or days as may be determined by the Directors. A “Singapore Business Day” is a day (except Saturdays, Sundays and public holidays) on which commercial banks are open for business in Singapore.
- The indicative Net Asset Value (NAV) and actual NAV of the shares may be obtained from the Singapore Representative and will be published on the Singapore Representative’s website ([www.franklintempleton.com.sg](http://www.franklintempleton.com.sg)) one Singapore Business Day after the relevant Dealing Day.

Refer to the “Subscription for Shares”, “Redemption of Shares” and “Obtaining Price Information” sections of the Singapore Prospectus.

**VALUATIONS AND EXITING FROM THIS INVESTMENT****HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?**

- To exit the Fund you should complete the relevant sale form, together with such other documents as may be required and submit it to the Singapore representative, its worldwide affiliated entities or through the financial advisor or distributor from whom you purchased the Fund, the Internet or any other sales channels, if applicable. Please ensure that all relevant documents have been submitted.
- Please note that redemptions of Class A, AX, B and C shares may be subject to exit charges.
- Some appointed distributors may offer a cancellation policy whereby you will not incur the sales charges if you sell during the relevant period (the Fund does not offer such cancellation policy). You will however take the risk of a decline in the Fund’s NAV since you purchased it and certain administrative fees may apply.
- Redemption proceeds will be paid within three Singapore Business Days following the Dealing Day of the receipt and acceptance of the redemption request.
- Your exit price is determined as follows:
  - If the Singapore representative receives and accepts the sale request on or before 4 p.m. on a Dealing Day, you will be paid a price based on the net asset value of the Shares applicable on that day.
  - If the Singapore representative receives and accepts the sale request after 4 p.m. on a Dealing Day, you will be paid a price based on the net asset value of the Shares at the close of the next Dealing Day.
- The sales proceeds that you will receive will be the exit price multiplied by the number of shares sold, less any charges. The following illustrates the sales proceeds on a redemption of 1,000 Class A shares at an exit price of S\$11.00 and assuming no Contingent Deferred Sales Charge:

Exit price	x	Number of shares sold	=	Gross Sales Proceeds
S\$11.00	x	1,000	=	S\$11,000
Gross Sales Proceeds	–	Exit Charges	=	Net Sales Proceeds
S\$11,000	–	S\$0.00	=	S\$11,000

**CONTACT INFORMATION****HOW DO YOU CONTACT US?**

- For account-related matters and product information, kindly contact the financial advisor or distributor from whom you purchased the Fund.
- For product-related queries, you may also contact Templeton Asset Management Ltd between 9.00 a.m. to 6.00 p.m., Mondays to Fridays (except Singapore public holidays):

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 #38-03 Suntec Tower One  
 Singapore 038987  
 +65 6241 2662 (tel.)  
 +65 6332 2295 (fax.)  
[www.franklintempleton.com.sg](http://www.franklintempleton.com.sg) (website)

Client Dealer Services Representative is available at:  
 +65 6337 3933 (tel.)  
 +65 6332 2296 (fax.)  
[cdsspr@franklintempleton.com](mailto:cdsspr@franklintempleton.com) (email)