



**FRANKLIN
TEMPLETON**

Franklin Templeton Investments
(Asia) Limited
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This circular is sent to you as an investor in Franklin Floating Rate Fund plc. (the “Company”). It is important and requires your immediate attention. If you are in any doubt as to the action to be taken, you should immediately consult your legal, financial or other professional advisers.

This circular has not been reviewed by the Central Bank of Ireland (the “Central Bank”) or the Securities and Futures Commission of Hong Kong (the “SFC”) and it is possible that changes hereto may be necessary to meet the requirements of the Central Bank or the SFC. The Directors of the Company are of the opinion that there is nothing contained in this circular nor in the proposals detailed herein that conflicts with the guidance notes issued by and regulations of the Central Bank and the SFC.

Hong Kong, 31 March 2023

Dear Investor,

Franklin Floating Rate Fund plc (the “Company”)
- Amendments to the Prospectus of the Company

This letter is intended for investors who hold shares of the Company via an account with (i) Franklin Templeton Investments (Asia) Limited (the “Hong Kong Representative”) or (ii) a duly authorized intermediary for the Hong Kong market (collectively, “Investors”).

Unless otherwise specified herein, capitalized terms used in this letter shall have the meanings assigned to such terms in the Hong Kong Prospectus dated December 2022 of the Company (the “**Prospectus**”).

We would like to inform you of several non-material amendments to the Prospectus. These changes do not materially prejudice your rights or interests as investors of the Company. These amendments do not increase the overall risk profile of the Franklin Floating Rate Master Trust (the “**Master Fund**”) or the Company, and there shall be no change to the operation and/or the way the Master Fund and the Company are being managed.

We have set out below some of the more pertinent updates that have been made to the Prospectus:

With effect from 21 December 2022:

- (i) The “*Investment Objectives and Policies of the Master Fund*” section of the Prospectus has been updated to clarify the means by which the investment adviser may invest in a temporary defensive manner by removing reference to “(either directly or through exchange-traded funds)”. The same section has also been updated to include details of Rule 12d1-4 under the US Investment Company Act of 1940 which became effective on 19 January 2021 and permits the Master Fund to invest in other investment companies beyond the statutory limits, subject to certain conditions;

- (ii) The “*Risk Factors*” section of the Prospectus has been updated to reflect the corresponding updates made to the Master Fund on the basis that the Company intends to invest up to 100% of its net asset value in shares of the Master Fund and as such, the Master Fund risk factors apply equally to the Company as they do to the Master Fund;
- (iii) References to the Depositary have been updated throughout the Prospectus to reflect the changes that were previously notified to shareholders and which came into effect in January 2022; and
- (iv) The Prospectus has been updated to clarify that the investment adviser of the Master Fund does not take principal adverse impacts on sustainability factors into account in respect of the Master Fund. This amendment is required in order to comply with Article 7(2) of the European Union Sustainable Finance Disclosure Regulation.

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Other than the changes as set out in this letter, there are not expected to be any other changes in the fee level or fee structure of the Master Fund or the Company, or any additional costs and expenses for the shareholders of the Master Fund or the Company (other than the cost of publishing this letter, which is estimated to be approximately HKD 2,000 and which will be charged to the Company). Any additional costs and expenses arising from the changes will be borne by the alternative investment fund manager (“AIFM”).

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The AIFM and the Directors accept full responsibility for the accuracy of the information contained in this letter as at the date of its publication and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.

The Prospectus and the product key facts statement of the Company are available for download from the Hong Kong Representative’s website at www.franklintempleton.com.hk¹, as well as from the office of the Hong Kong Representative.

If you require further information, please do not hesitate to contact your investment consultant, call our Investor Hotline at +852 2805 0111 or contact the Hong Kong Representative at 17/F, Chater House, 8 Connaught Road Central, Hong Kong. If you are not a duly authorized intermediary for the Hong Kong market, please be advised that you are not required to forward this letter to your end clients.

Yours faithfully,
Franklin Templeton Investments (Asia) Limited
 富蘭克林鄧普頓投資(亞洲)有限公司
 As Hong Kong Representative of the Company

¹ The website has not been reviewed by the Securities and Futures Commission.