

Product Details¹

Fund Assets	\$427,649,097.40
Fund Inception Date	15/05/2000
Number of Securities Including Cash	139
Bloomberg	FRAFRAA ID
ISIN	IE0032578035
Base Currency	USD
Investment Style	Bank Loans
Benchmark	Credit Suisse Leveraged Loan Index
Morningstar Category™	Other Bond

Asset Allocation²

Market Value—Percent of Total	%
Fixed Income	91.68
Cash & Cash Equivalents	5.47
Equity	2.85

Fund Description

A master feeder fund which seeks to provide investors with as high a level of current income and preservation of capital as is consistent with investing primarily in floating rate or variable rate senior secured corporate loans or senior secured debt securities.

Performance Data
Performance Net of Management Fees as at 31/05/2020 (Dividends Reinvested) (%)³

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (15/10/2002)
A (dis) USD	1.03	-11.19	-11.57	-12.45	-3.32	-0.67	1.72	2.29
Net of Sales Charge - A (dis) USD	-2.00	-13.86	-14.22	-15.08	-4.30	-1.27	1.41	2.12
Credit Suisse Leveraged Loan Index USD	3.80	-5.24	-6.02	-3.35	1.66	2.60	4.17	4.67

Cumulative Performance (%)

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (15/10/2002)
A (dis) USD	1.03	-11.19	-11.57	-12.45	-9.64	-3.31	18.61	49.16
Net of Sales Charge - A (dis) USD	-2.00	-13.86	-14.22	-15.08	-12.35	-6.21	15.05	44.68
Credit Suisse Leveraged Loan Index USD	3.80	-5.24	-6.02	-3.35	5.06	13.69	50.47	123.47

Portfolio Manager Insight
Performance Review
ONE-MONTH KEY PERFORMANCE DRIVERS

	Loan Selection	Quality/Tier	Sectors/Industries
HELPED	Transportation Issuers	—	Overweight in Automotive
	Retail Issuers	—	Overweight in Gaming
	Consumer Cyclical Service Issuers	—	—
HURT	Energy Issuers	Lower-Tier	Underweight in Restaurants
	Consumer Product Issuer	Middle-Tier	—
	Aerospace and Defense Issuer	Upper-Tier	—

- During the month, loan selection was the primary detractor from relative results, led by our selection amongst energy, consumer product and aerospace and defense issuers. Conversely, our loan selection amongst transportation, retail and consumer cyclical service issuers benefitted performance. Our industry allocation contributed to results (albeit marginally), led by our overweight in the automotive and gaming segments. Conversely, our underweight in the restaurant segment detracted from performance.
- The fund's allocation amongst all credit quality segments hindered results.
- We maintained our defensive positioning and overweight in Upper-Tier loans relative to the index.

Outlook & Strategy

- During the month, the loan market extended the broad recovery that started in April. Given how spreads have compressed in the broader loan market, especially amongst single-B and triple-C credits relative to double-Bs, we maintain our belief that the market is largely being driven by technical conditions given the current recessionary environment.

1. All holdings are subject to change.

2. Market value figures reflect the trading value of the investments. Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

- However, factors such as demand from CLOs (collateralised loan obligations) and opportunistic inflows from sources such as separately managed accounts and hedge funds have contributed to a general compression of spreads across the asset class. In addition, new issuance remains subdued, which has also benefitted the technical environment and looks likely to continue, in our view.
- As the fundamental impact of the pandemic becomes increasingly apparent, we envision a growing bifurcation in performance in the asset class based on perceived resiliency and level of exposure. Given the impact of COVID-19 on business conditions, we expect to see an increasing number of defaults materialise. Consequently, we believe that bouts of volatility, with spread widening in the lower-quality part of the loan market and an increasing preference for higher-quality loan issuers, are probable.
- Our strategy remains to be overweight in higher-quality loans, with a focus on issuers in relatively defensive sectors with sound capital structures. We continue to look for opportunities to selectively add strong single-B rated loans that have room to appreciate, as double-B rated paper looks fully valued, in our view.
- While aiming to opportunistically rebalance into such issues, we also recognise the need to maintain a defensive posture through exposure to higher-quality issues in more recession- and coronavirus-resilient industries. The core of our risk management efforts remains prudent security selection and thorough due diligence.

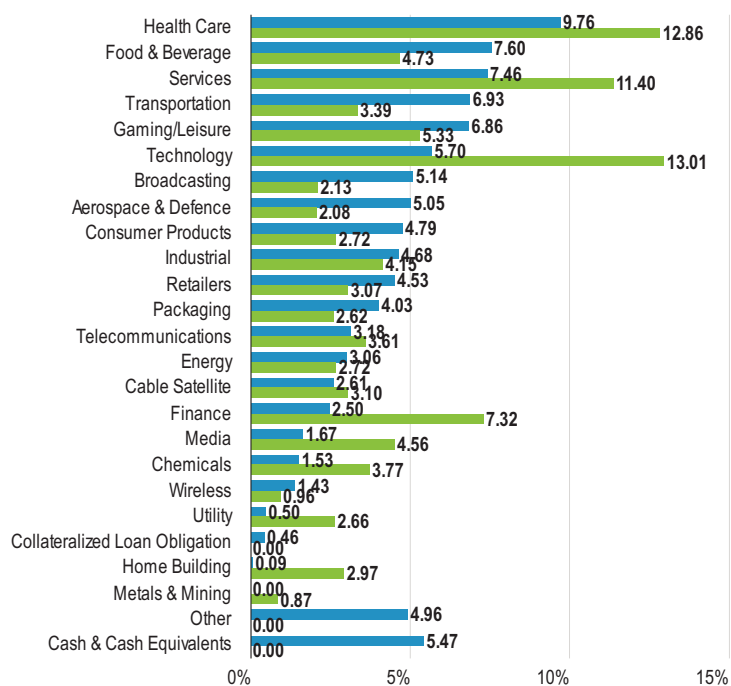
Portfolio Characteristics⁴

	Portfolio	Credit Suisse Leveraged Loan Index
Average Duration	0.85 Yrs	1.22 Yrs
Average Credit Quality ⁵	BB-	B
Average Weighted Maturity	3.78 Yrs	-
Spread to LIBOR	4.10 bps	351.00 bps
Time to Reset	74.00 Days	-
Coupon Rate	4.58%	4.42%
Discount Margin	4.28%	6.83%
Average Price	\$82.62	\$88.56

5. The average credit quality (ACQ) rating may change over time. The portfolio itself has not been rated by an independent rating agency. The letter rating, which may be based on bond ratings from different agencies, is provided to indicate the average credit rating of the portfolio's underlying bonds and generally ranges from AAA (highest) to D (lowest). For unrated bonds ratings may be assigned based on the ratings of the issuer or other relevant factors. The ACQ is determined by assigning a sequential integer to all credit ratings AAA to D, taking a simple, asset-weighted average of debt holdings by market value and rounding to the nearest rating. The risk of default increases as a bond's rating decreases, so the ACQ provided is not a statistical measurement of the portfolio's default risk because a simple, weighted average does not measure the increasing level of risk from lower rated bonds. The ACQ is provided for informational purposes only. Derivative positions are not reflected in the ACQ.

Portfolio Diversification⁴Sector Allocation vs. Credit Suisse Leveraged Loan Index⁶

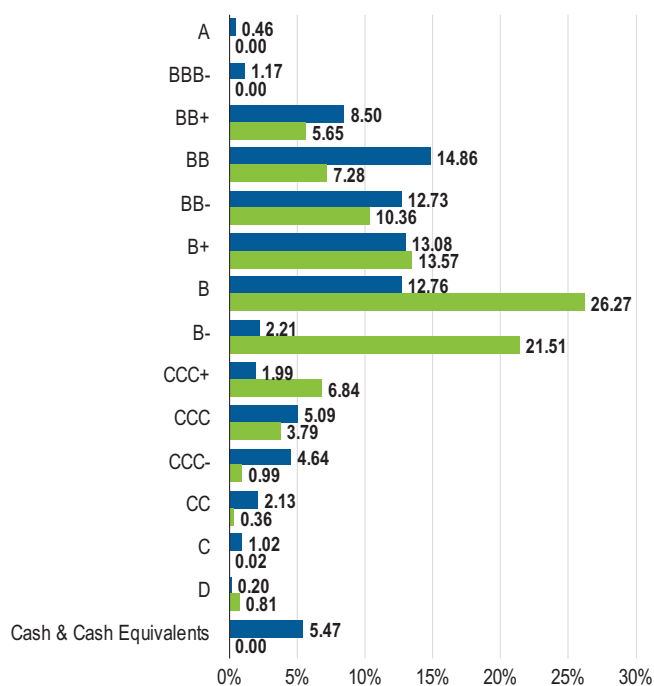
Market Value—Percent of Total



● Franklin Floating Rate Fund PLC
● Credit Suisse Leveraged Loan Index

Credit Quality Allocation vs. Credit Suisse Leveraged Loan Index^{7,8}

Market Value—Percent of Total



● Franklin Floating Rate Fund PLC
● Credit Suisse Leveraged Loan Index

Supplemental Performance Statistics

Supplemental Risk Statistics⁹

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)				
Franklin Floating Rate Fund PLC	7.57	6.39	5.05	5.89
Credit Suisse Leveraged Loan Index	8.44	6.82	5.30	6.77
Tracking Error (%)	2.76	2.33	1.74	2.09
Information Ratio¹⁰	-1.80	-1.40	-1.41	-1.14
Sharpe Ratio				
Franklin Floating Rate Fund PLC	-0.66	-0.28	0.23	0.18
Credit Suisse Leveraged Loan Index	0.00	0.22	0.68	0.51

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Reema Agarwal, CFA	15	23
Justin G. Ma, CFA	13	13
Margaret Chiu, CFA	8	8
Judy Sher	6	17

6. Market value figures reflect the trading value of the investments. Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

7. Market value figures reflect the trading value of the investments. Portfolio breakdown percentages may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

8. Ratings shown are assigned by one or more Nationally Recognized Statistical Rating Organizations ('NRSRO'), such as Standard & Poor's and Moody's. The ratings are an indication of an issuer's creditworthiness and typically range from AAA or Aaa (highest) to D (lowest). When ratings from both agencies are available, the lower rating is used; and when only one is available, that rating is used. Foreign government bonds without a specific rating are assigned the country rating provided by an NRSRO, if available. The NR category consists of ratable securities that have not been rated by an NRSRO. The N/A category consists of nonratable securities (e.g., equities). Cash includes equivalents, which may be rated.

9. Information Ratio and Tracking Error information are displayed for the product versus the Credit Suisse Leveraged Loan Index.

10. Information Ratio is a way to evaluate a manager's ability to outperform a benchmark in relation to the risk that manager is assuming, with risk defined as deviation from the benchmark. This measure is calculated by dividing the portfolio's excess return (portfolio return less the benchmark return) by the tracking error (derived by taking the standard deviation of the monthly differences between the portfolio return and the benchmark return over time).

For use by brokers/dealers or intended institutional investor recipients only and cannot be disseminated further.

What Are the Key Risks?

The value of shares in the Fund and income received from it can go down as well as up and investors may not get back the full amount invested. Performance may also be affected by currency fluctuations. Currency fluctuations may affect the value of overseas investments. The Fund invests mainly in equity and debt securities of US companies. Such securities have historically been subject to significant price movements that may occur suddenly due to market or company-specific factors. As a result, the performance of the Fund can fluctuate considerably over time. Investors should be aware that the fund's share price and yield will fluctuate with market conditions. Counterparty Risk: the risk of failure of financial institutions or agents (when serving as a counterparty to financial contracts) to perform their obligations, whether due to insolvency, bankruptcy or other causes. Derivatives risk: the risk of loss in an instrument where a small change in the value of the underlying investment may have a larger impact on the value of such instrument. Derivatives may involve additional liquidity, credit and counterparty risks. Liquidity risk: the risk that arises when adverse market conditions affect the ability to sell assets when necessary. Reduced liquidity may have a negative impact on the price of the assets. Other significant risks include: lower-rated or non-investment grade securities risk, credit risk, derivative instruments risk, and interest rate securities risk. For full details of all of the risks applicable to this Fund, please refer to the "Risk Factors" section of the Fund in the current prospectus of Franklin Floating Rate Fund plc.

Important Legal Information

THIS FUND SHOULD NOT BE PROMOTED TO RETAIL INVESTORS. ITS MATERIALS SHOULD NOT BE DISTRIBUTED TO RETAIL INVESTORS.

Franklin Floating Rate Fund PLC is a sub-fund of the Luxembourg-domiciled Franklin Templeton Investment Funds (FTIF).

This document is for information only and does not constitute investment advice or a recommendation and was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. Any research and analysis contained in this presentation has been procured by Franklin Templeton Investments for its own purposes and may be acted upon in that connection and, as such, is provided to you incidentally. Any views expressed are the views of the fund manager and do not constitute investment advice. The underlying assumptions and these views are subject to change. Franklin Templeton Investments accepts no liability whatsoever for any direct or indirect consequential loss arising from the use of any information, opinion or estimate herein. **The value of investments and the income from them can go down as well as up and you may not get back the full amount that you invested.**

Any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets is not necessarily indicative of the future or likely performance.

Past performance or any prediction or forecast is not necessarily indicative of future performance of the Fund. Subscriptions may only be made on the basis of the most recent Prospectus and Product Highlights Sheet which is available at Templeton Asset Management Ltd or our authorised distributors. Potential investor should read the details of the Prospectus and Product Highlights Sheet before deciding to subscribe for or purchase the Fund. This shall not be construed as the making of any offer or invitation to anyone in any jurisdiction in which such offer is not authorised or in which the person making such offer is not qualified to do so or to anyone to whom it is unlawful to make such an offer. In particular, this Fund is not available to U.S. Persons and Canadian residents.

Investors may wish to seek advice from a financial adviser before making a commitment to invest in shares of the Fund. In the event an investor chooses not to seek advice from a financial adviser, he/she should consider whether the Fund is suitable for him/her.

Copyright© 2020 Franklin Templeton. All rights reserved.

Issued by Templeton Asset Management Ltd. Registration No. (UEN) 199205211E

The Fund is not registered for public distribution.

Securities mentioned in this report are not a solicitation to purchase those securities, and are examples of some securities which performed well. Not all securities in the portfolio performed well. These securities do not represent all the securities purchased, sold or recommended for advisory clients, and the reader should not assume that investment in the security listed was or will be profitable. Holdings are subject to change, holdings of the same issuer have been combined. The information provided is not a recommendation to purchase, sell or hold any particular security. The security identified does not represent the Fund's entire holdings and in the aggregate, may represent a small percentage of such holdings. There is no assurance that security purchased will remain in the Fund, or that security sold will not be repurchased. In addition, it should not be assumed that any securities mentioned were or will prove to be profitable. For the most current information on the fund, please contact your Franklin Templeton marketing representative.

Performance figures are not based on audited financial statements and assume reinvestment of interest and dividends. When comparing the performance of Franklin Floating Rate Fund plc (the "Fund") with a benchmark index, it is important to note that the securities in which the Fund invests may be substantially different than those represented by the benchmark index. Furthermore, an investment in Franklin Floating Rate Fund plc represents an investment in a managed investment company in which certain charges and expenses, including management fees, are applicable. These charges and expenses are not applicable to indices. Lastly, please note that indices are unmanaged and are not available for direct investment. Certain data and other information shown have been supplied by outside sources. While we consider that information to be reliable, we give no assurance that such data and information is accurate or complete.

The Fund may utilise financial derivative instruments for hedging, efficient portfolio management and/or investment purposes.

The indices include a greater number of securities than those held in the Fund.

CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

Note: Volume, secondary bid prices, default and LIBOR floor data for the overall loan market all provided by Standard & Poor's (S&P's) Leveraged Commentary & Data (LCD). Standard & Poor's®, S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC.

Important data provider notices and terms available at www.franklintempletondatasources.com.

3. Source for all information is Franklin Templeton Investments. Benchmark related data provided by FactSet. Fund performance computed in share class currency, on NAV-NAV basis and dividends reinvested. Net of Sales Charge figures are after 3% sales charge. Past performance is no guarantee of future results. Portfolio holdings are subject to change. Periods greater than one year are shown as average annual total returns. Other commissions, taxes and other relevant costs paid by investor are not included.

4. Information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change.

www.franklintempleton.com.sg



For use by brokers/dealers or intended institutional investor recipients only and cannot be disseminated further.