

UNAUDITED SEMI-ANNUAL REPORT

FRANKLIN FLOATING RATE FUND plc

For the six month period ended 31 January 2023



FRANKLIN
TEMPLETON

This document does not constitute an offer of shares in Franklin Floating Rate Fund plc (the "Company"). Subscriptions are only valid if made on the basis of the current Prospectus, as amended (including the Product Key Facts Statement), supplemented by the most recent audited annual report of the Company and any subsequent semi-annual report.

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Investors should note that this document may contain information on share classes that are not authorized for public distribution in Hong Kong as at 31 January 2023 and which are not available to Hong Kong investors.

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GENERAL INFORMATION

Board of Directors

Joseph Carrier (United States)
Fionnuala Doris* (Ireland)
William Jackson (United Kingdom)
Joseph Keane* (Ireland)
Joseph LaRocque (United States)
Jaspal Sagger (United Kingdom)
Jane Trust (United States)

*Independent Directors.
All Directors are non-executive.

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Registered Number

316174

INVESTMENT MANAGER'S REPORT

Franklin Floating Rate Fund PLC – MD&A (31 January 2023)

Syndicated Bank Loan Market Overview

As markets focused on slowing inflation data, investors grappled with the potential timing of the transition from a rate hiking cycle to a pause and subsequent easing. While US Federal Reserve (Fed) remained firmly on a hawkish rate path, intensifying recession worries, loan prices rallied along with broader credit markets toward the end of the period amid expectations that the Fed would ease rate hiking. Fund outflows from retail vehicles continued, but collateralized-loan-obligation (CLO) demand and low primary market volumes helped to balance technical conditions in the loan market.

Despite higher loan coupons due to rising rates, outflows from retail flows continued amid heightened risk-off sentiment in addition to expectations of weaker interest coverage. Additionally, as more investors looked toward a potential pivot in the Fed's tightening cycle, demand shifted toward fixed-rated asset classes that had declined more in 2022. While redemption activity was steady, cash balances among investors remained relatively high, which helped to prevent forced selling. CLO demand also helped to support loan prices, especially for higher quality loans trading at discounted levels. While the pace of new CLO issuance was slower as funding costs for new vehicles increased, strong CLO demand helped to drive the rally in loan prices toward the end of the period.

Loan new issuance remained subdued for much of the period, amid higher yields and risk-off sentiment. Loans that did come to the market included issuers that needed to complete acquisition related financing. While a handful of the new deals garnered strong interest and were able to tighten pricing, most new deals were forced to clear at deep discounts. However, as the secondary market strengthened towards the end of the period, more issuers approached the primary market to refinance near-term maturities. As some issuers sought to access lower yields in the high yield bond market, more loan principal was paid down by newly issued bonds.

While the default rate by number of issuers reached a record low in the prior period, rising input costs, continued supply chain disruptions, and expectations of an economic slowdown contributed to bifurcation between issuers. The default rate gradually rose by the end of the period, and the percentage of loans trading at distressed levels also moved higher. The pace of credit rating downgrades also increased and outnumbered rating upgrades toward the end of the period.

Investment Strategy

While default rates have largely remained subdued, credit downgrades continue to outpace upgrades. Bifurcation persists along the lines of credit quality and financial performance, leading to an asymmetric investor response: while good/better-than-expected earnings tend to push prices higher, weaker-than-expected earnings and ratings downgrades generate an outsized downside response, especially at the lower end of the credit quality spectrum. Against a backdrop of recessionary fears and persistent volatility, we uphold our view that technical conditions will drive market conditions in the near-term, while the fundamental impact of the rate hikes is still to come. As rates are expected to stay higher-for-longer, we anticipate issuers that are more levered with cyclical and secularly challenged business models will undergo higher amounts of distress. Accordingly, we have maintained our stance of de-risking our portfolio from lower-quality issuers in cyclical industries.

Manager's Discussion

During the period under review, the A (dis) share class returned 3.88%, underperforming its benchmark, the CS Leveraged Loan Index (CSLLI), which returned 4.26%. The fund's underweight in higher rated loans detracted from relative performance as the upper tier portion of the index (including BB rated loans) returned 5.62%, while the middle tier (B rated loans) returned 4.55%, and the lower tier (CCC and defaulted) returned -4.39%. However, performance compared to the benchmark during the period was primarily driven by a couple investments, Quarternorth Energy (a producer of oil and gas) and Onsite Rental (a rental equipment company based in Australia).

The equity shares of Quarternorth moved higher as the company disclosed developments that would increase production and declared a dividend during the period. Onsite Rental contributed to performance as the company continued to perform ahead of budget.

The top detractors from performance included lower-rated issuers that investors expected to be greater impacted from an economic slowdown due to exposure to discretionary spending, weaker credit profiles, and/or looming debt maturities. 24 Hour Fitness (an operator of fitness centers) detracted from performance amid technical selling pressure on its term loan, despite the company reporting recovering membership trends. Aventiv Technologies (a provider of telecommunications services to the corrections industry) detracted from performance amid pressures on discretionary spending and looming debt maturities and after its credit rating was downgraded from B- to CCC+ during the period.

INVESTMENT MANAGER'S REPORT (continued)

Manager's Discussion (continued)

During the six-month period, we reduced our weighting in riskier middle tier and lower tier loans and increased our weighting in upper tier loans. We continued to reduce our exposure to issuers that we expect to have weaker interest coverage following rate hikes, and our largest sells included middle tier loans in the healthcare and consumer non-durable sectors. We also added to higher-rated high yield bonds to improve credit quality and increase settlement liquidity for potential redemptions. The fund maintained its exposure to secured high yield bonds and loan funds (the Franklin Liberty Senior Loan ETF, Franklin Floating Rate Income Fund, and the Invesco Senior Loan ETF). These investments allowed the fund to have further exposure to credit, while providing additional settlement liquidity. The fund had no exposure to derivatives during the period.

Franklin Advisers, Inc.
Investment Manager
February 2023

SCHEDULE OF INVESTMENTS**As at 31 JANUARY 2023**

Investments	Holding 1 August 2022	Purchases	Sales	Holding 31 January 2023	Fair Value USD '000	% of Net Asset Value
Investment Funds (31 July 2022: 99.65%)						
United States (31 July 2022: 99.65%)						
Franklin Floating Rate Master Trust	88,112,617	1,764,519	(21,907,011)	67,970,125	475,755	101.06
United States total					475,755	101.06
Total investments in Investment Funds (Cost: USD 536,045)					475,755	101.06

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Fair Value USD '000	% of Net Asset Value
Forward Currency Contracts							
CNH	9,765,071	USD	1,441,147	J.P. Morgan	15/02/2023	6	—
CNH	1,681,613	USD	249,058	J.P. Morgan	15/02/2023	— ¹	—
EUR	1,091,249	USD	1,173,448	J.P. Morgan	15/02/2023	14	—
SGD	5,043,419	USD	3,787,005	J.P. Morgan	15/02/2023	53	0.01
SGD	59,641	USD	44,898	J.P. Morgan	15/02/2023	1	—
USD	1,555	SGD	2,040	J.P. Morgan	15/02/2023	— ¹	—
Total unrealised gain on Forward Currency Contracts (31 July 2022: 0.01%)						74	0.01

Forward Currency Contracts							
CNH	92,313	USD	13,716	J.P. Morgan	15/02/2023	— ¹	—
EUR	11,346	USD	12,401	J.P. Morgan	15/02/2023	— ¹	—
SGD	430	USD	327	J.P. Morgan	15/02/2023	— ¹	—
USD	50,971	CNH	344,175	J.P. Morgan	15/02/2023	— ¹	—
USD	136,511	CNH	924,247	J.P. Morgan	15/02/2023	(1)	—
USD	1,467	SGD	1,936	J.P. Morgan	15/02/2023	— ¹	—
USD	1,235	SGD	1,633	J.P. Morgan	15/02/2023	— ¹	—
USD	7,397	SGD	9,754	J.P. Morgan	15/02/2023	— ¹	—
USD	5,917	SGD	7,880	J.P. Morgan	15/02/2023	— ¹	—
Total unrealised loss on Forward Currency Contracts (31 July 2022: 0.00%)²						(1)	—

Total financial assets at fair value through profit or loss	475,829	101.07
Total financial liabilities at fair value through profit or loss	(1)	—
Cash and cash equivalents	179	0.04
Other assets and liabilities	(5,228)	(1.11)
Net asset value attributable to shareholders	470,779	100.00

¹Investments which are less than USD 500 have been rounded down to zero.²Prior year percentage of net asset value rounds to 0.00%.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD TO 31 JANUARY 2023**

	Note	Period ended 31 January 2023 USD '000	Period ended 31 January 2022 USD '000
Operating income			
Dividends income		22,060	9,874
Bank interest income		1	—
Net (losses)/gains on financial assets/liabilities at fair value through profit or loss		(1,052)	1,960
Total investment income		21,009	11,834
Operating expenses			
Administration fees	9	(245)	(217)
AIFM fees	9	(167)	(100)
Audit fees	2	(16)	(16)
Depositary fees	9	(18)	(17)
Directors' fees	9	(26)	(25)
Distribution fees	9	(678)	(686)
Legal fees		(25)	(100)
Shareholder maintenance fees	9	(533)	(459)
Other operating expenses		(91)	(132)
Total operating expenses		(1,799)	(1,752)
Net operating profit		19,210	10,082
Finance costs (excluding increase/decrease in net assets attributable to shareholders from continuing operations)			
Distributions to shareholders	3	(10,063)	(4,545)
Total Finance costs (excluding increase/decrease in net assets attributable to shareholders from continuing operations)		(10,063)	(4,545)
Net profit		9,147	5,537
Increase in net assets attributable to shareholders from continuing operations		9,147	5,537

There are no recognised gains or losses arising during the financial period other than the increase/(decrease) in net assets attributable to shareholders of the Company. In arriving at the results for the financial period, all amounts above relate to continuing operations.

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2023

	Note	31 January 2023 USD '000	31 July 2022 USD '000
CURRENT ASSETS			
Financial assets at fair value through profit or loss	7	475,829	616,699
Cash and cash equivalents		179	155
Receivables			
Subscription of shares awaiting settlement		1,194	724
Dividends receivable		3,506	3,229
Directors' fees prepaid	9	–	2
Total current assets		480,708	620,809
CURRENT LIABILITIES			
Financial liabilities at fair value through profit or loss	7	1	4
Payables			
Redemption of shares awaiting settlement		9,319	1,400
Administration fees payable	9	219	175
AIFM fees payable	9	25	32
Audit fees payable	2	21	25
Depositary fees payable	9	32	51
Directors' fees payable	9	13	–
Distribution fees payable	9	101	131
Legal fees payable		10	6
Shareholder maintenance fees payable	9	81	101
Other payables		107	74
Total current liabilities (excluding net assets attributable to shareholders)		9,929	1,999
Net asset value attributable to shareholders		470,779	618,810

The accompanying notes form an integral part of these financial statements.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE SIX MONTH PERIOD TO 31 JANUARY 2023**

	Period ended 31 January 2023 USD '000	Period ended 31 January 2022 USD '000
Net assets attributable to shareholders at the beginning of the period	618,810	434,086
Increase in net assets attributable to shareholders from continuing operations	9,147	5,537
Share transactions		
Proceeds from issue of redeemable shares	31,473	218,141
Payments on redemption of redeemable shares	(188,651)	(77,341)
Dividend reinvested	–	1,615
Increase/(decrease) in net assets resulting from share transactions	(157,178)	142,415
Net assets attributable to shareholders at the end of the period	470,779	582,038

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD TO 31 JANUARY 2023

	Period ended 31 January 2023 USD '000	Period ended 31 January 2022 USD '000
Cash flows from operating activities:		
Increase in net assets attributable to shareholders from continuing operations	9,147	5,537
<i>Adjustment for:</i>		
Dividend income	(22,060)	(9,874)
Interest income	(1)	–
Distributions to shareholders	10,063	4,545
Total	(2,851)	208
Change in financial assets at fair value through profit or loss	140,870	(140,151)
Change in cash pledged as collateral	–	50
Change in other receivables	2	32
Change in financial liabilities at fair value through profit or loss	(3)	(28)
Change in other payables	14	14
	138,032	(139,875)
Dividend received	21,783	9,504
Interest received	1	–
Net cash provided by/(used in) operating activities	159,816	(130,371)
Cash flows from financing activities		
Proceeds from issue of redeemable shares ¹	31,003	210,802
Payments for redemption of redeemable shares	(180,732)	(77,315)
Distributions paid to shareholders	(10,063)	(4,545)
Net cash (used in)/provided by financing activities	(159,792)	128,942
Net increase/(decrease) in cash and cash equivalents	24	(1,429)
Cash and cash equivalents at the beginning of the period	155	1,754
Cash and cash equivalents at the end of the period	179	325

¹Proceeds from issue of redeemable shares during the year includes dividend reinvestments of USD NIL (31 January 2022: USD 1,615,000) which are non-cash transactions.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 2023

Introduction

The Company is an investment company with variable capital incorporated in the Republic of Ireland as a Public Limited Company on 1 December 1999, under the Companies Act 2014, with registered number 316174. Its Redeemable Shares ("RS") are denominated in US dollars, other than the Class A (dis) SGD-H1 Shares, the Class A (dis) EUR-H1 Shares, the Class A (dis) RMB-H1 Shares and the Class A (dis) HKD shares. The Company is governed by the provisions of the European Union (Alternative Investment Fund Managers Directive) ("AIFMD") Regulations 2013.

The Company's investment objective is to provide a high level of current income and preservation of capital by investing up to 100% of its net assets in shares of the Franklin Floating Rate Master Series (the "Common Shares") in the Franklin Floating Rate Master Trust (the "Master Trust") (see note 9).

1. Accounting policies

The principal accounting policies and estimation techniques applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with the AIF Rulebook, the Companies Act 2014, Euronext Regulations and International Accounting Standard 34 (IAS 34), Interim Financial Reporting. The financial statements should be read in conjunction with the annual financial statements for the year ended 31 July 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 July 2022, and corresponding interim financial statements for the period ended 31 January 2022, as described in those annual statements and interim statements respectively.

(b) Estimates and judgements

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(c) Events during the period

There have been no unusual events during the period that have impacted the Company's performance. The significant events during the period are disclosed in note 13.

2. Operating expenses

Audit fees solely relate to statutory audit fees including out of pocket expenses incurred. There were no other fees paid to PricewaterhouseCoopers in Ireland as the statutory auditor of the Company, as no other services were provided. (31 January 2022: None).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 JANUARY 2023

3. Distributions to holders of Redeemable Shares

The following distributions in USD were made by the Company for the period ended 31 January 2023.

Ex-dividend date	Payment date	A (dis) USD per share	A (dis) EUR-H1 EUR per share	A (dis) HKD HKD per share	A (dis) SGD-H1 SGD per share	A (dis) RMB-H1 RMB per share	AX USD per share	B USD per share	C (dis) USD per share	N (dis) USD per share	W (dis) USD per share
1 Aug 2022	8 Aug 2022	0.032746	0.035123	0.040930	0.036229	0.440012	0.032515	0.031849	0.032036	0.032669	0.037590
1 Sep 2022	9 Sep 2022	0.038131	0.041172	0.047656	0.043023	0.518228	0.037855	0.037052	0.037277	0.038018	0.043783
3 Oct 2022	10 Oct 2022	0.043377	0.047009	0.054215	0.049348	0.592055	0.043056	0.042116	0.042378	0.043224	0.049819
1 Nov 2022	8 Nov 2022	0.043537	0.045814	0.054416	0.048107	0.588665	0.043209	0.042237	0.042507	0.043359	0.050017
1 Dec 2022	8 Dec 2022	0.046276	0.048324	0.057554	0.050713	0.606910	0.045919	0.044903	0.045149	0.046058	0.053176
3 Jan 2023	10 Jan 2023	0.052595	0.055201	0.065358	0.058083	0.694070	0.052179	0.037760	0.051281	0.052316	0.060451

The following distributions in USD were made by the Company for the period ended 31 January 2022.

Ex-dividend date	Payment date	A (dis) USD per share	A (dis) EUR-H1 EUR per share	A (dis) HKD HKD per share	A (dis) SGD-H1 SGD per share	A (dis) RMB-H1 RMB per share	AX USD per share	B USD per share	C (dis) USD per share	N (dis) USD per share	W (dis) USD per share
2 Aug 2021	9 Aug 2021	0.022551	0.024841	0.027877	0.025446	0.296543	0.022435	0.022153	0.022237	0.022655	0.025807
1 Sep 2021	9 Sep 2021	0.027152	0.029445	0.033575	0.030105	0.354552	0.027008	0.026650	0.026757	0.027261	0.031082
1 Oct 2021	8 Oct 2021	0.024764	0.027357	0.030686	0.027832	0.324807	0.024629	0.024287	0.024387	0.024849	0.028356
1 Nov 2021	8 Nov 2021	0.023128	0.025388	0.028645	0.025837	0.303041	0.022998	0.022663	0.022761	0.023194	0.026488
1 Dec 2021	8 Dec 2021	0.023296	0.025704	0.028947	0.026230	0.305216	0.023163	0.022809	0.022912	0.023350	0.026689
3 Jan 2022	10 Jan 2022	0.025737	0.028072	0.031969	0.028458	0.339833	0.025601	0.025552	0.025399	0.025875	0.029470

4. Redeemable Shares and Share Capital

Authorised share capital

The minimum authorised share capital of the Company is 2 (two) shares of no par value designated as unclassified shares. The maximum authorised share capital of the Company is 500,000,000,002 (five hundred billion and two) shares of no par value designated as unclassified shares.

Subscriber shares

Subscriber shares issued amount to USD 1, being 1 subscriber shares of USD 1, fully paid. The subscriber shares do not form part of the Net Asset Value ("NAV") of the Company and are thus disclosed in the financial statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Company's business as an Investment Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 JANUARY 2023

4. Redeemable Shares and Share Capital (continued)

Redeemable Shares (“RS”)

The issued share capital is at all times equal to the NAV of the Company. Shareholders may redeem any or all of their Shares on any Dealing Day except when dealings have been temporarily suspended. Redemption request forms must be received by the Company at the address specified in the redemption request form not later than the Valuation Point on the Repurchase Request Deadline. If the Company, as an investor in the Master Trust, is asked to vote on a proposed change in a fundamental policy of the Master Trust or any other matter pertaining to the Master Trust (other than continuation of the business of the Master Trust after withdrawal of another investor in the Master Trust), the Company will solicit proxies from its shareholders and vote its interest in the Master Trust for and against such matters proportionately to the instructions to vote for and against such matters received from the Company’s shareholders.

For the Master Trust, redemptions are processed on any day the Master Trust is open for business and are effected at the Net Asset Value per share next calculated after the Master Trust receives a redemption request in proper form. Redemption payments will be made within seven days after receipt of the redemption request in proper form. Proceeds for redemption orders cannot be wired on those business days when the Federal Reserve Bank System and the custodian bank are closed. In unusual circumstances, the Master Trust may temporarily suspend redemptions or postpone the payment of proceeds as allowed by federal securities law.

The movement in RS for the period ended 31 January 2023 is presented below:

	Balance at the beginning of the period	Issued during the period	Redeemed during the period	Balance at the end of the period
Class A (acc)	13,539,778	384,748	(4,280,700)	9,643,826
Class A (dis)	25,575,668	1,938,876	(6,619,402)	20,895,142
Class A (dis) EUR-H1	132,832	31,395	(12,106)	152,121
Class A (dis) HKD	8,788,219	991,838	(2,932,997)	6,847,060
Class A (dis) RMB-H1	96,471	45,039	(27,049)	114,461
Class A (dis) SGD-H1	795,546	68,976	(194,855)	669,667
Class AX	6,878,923	206,749	(2,241,412)	4,844,260
Class B	40,875	965	(41,837)	3
Class C (acc)	1,020,440	98,706	(190,967)	928,179
Class C (dis)	4,932,280	197,152	(450,390)	4,679,042
Class N (acc)	5,623,481	291,997	(2,535,657)	3,379,821
Class N (dis)	1,137,366	128,925	(96,827)	1,169,464
Class W (acc)	3,298,218	173,473	(1,416,837)	2,054,854
Class W (dis)	1,181,360	36,495	(223,548)	994,307

The movement in RS for the year ended 31 July 2022 is presented below:

	Balance at the beginning of the year	Issued during the year	Redeemed during the year	Balance at the end of the year
Class A (acc)	9,773,226	9,085,916	(5,319,364)	13,539,778
Class A (dis)	17,435,132	18,255,139	(10,114,603)	25,575,668
Class A (dis) EUR-H1	24,555	108,277	—	132,832
Class A (dis) HKD	3,919	9,835,693	(1,051,393)	8,788,219
Class A (dis) RMB-H1	13,883	83,338	(750)	96,471
Class A (dis) SGD-H1	1,260,567	1,315,652	(1,780,673)	795,546
Class AX	4,551,055	6,386,790	(4,058,922)	6,878,923
Class B	68,600	1,793	(29,518)	40,875
Class C (acc)	382,015	924,132	(285,707)	1,020,440
Class C (dis)	4,532,551	1,102,380	(702,651)	4,932,280
Class N (acc)	4,128,852	5,127,129	(3,632,500)	5,623,481
Class N (dis)	1,097,418	160,999	(121,051)	1,137,366
Class W (acc)	847,536	2,964,781	(514,099)	3,298,218
Class W (dis)	959,650	511,307	(289,597)	1,181,360

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 JANUARY 2023

4. Redeemable Shares and Share Capital (continued)

Net assets attributable to shareholders

		31 January 2023	31 July 2022	31 July 2021
Class A (acc)				
Net asset value	USD '000	148,729	201,430	146,998
Net asset value per share	USD	15.42	14.88	15.04
Class A (dis)				
Net asset value	USD '000	143,528	175,184	126,716
Net asset value per share	USD	6.87	6.85	7.27
Class A (dis) EUR-H1				
Net asset value	EUR '000	1,105	976	194
Net asset value per share	EUR	7.27	7.35	7.90
Class A (dis) HKD				
Net asset value	HKD '000	58,712	75,251	35
Net asset value per share	HKD	8.57	8.56	9.00
Class A (dis) RMB-H1				
Net asset value	RMB '000	10,437	8,854	1,324
Net asset value per share	RMB	91.18	91.78	95.35
Class A (dis) SGD-H1				
Net asset value	SGD '000	5,130	6,090	10,241
Net asset value per share	SGD	7.66	7.65	8.12
Class AX				
Net asset value	USD '000	33,004	46,782	32,904
Net asset value per share	USD	6.81	6.80	7.23
Class B				
Net asset value	USD '000	—*	272	490
Net asset value per share	USD	6.57	6.66	7.14
Class C (acc)				
Net asset value	USD '000	9,250	9,850	3,758
Net asset value per share	USD	9.97	9.65	9.84
Class C (dis)				
Net asset value	USD '000	31,305	33,039	32,472
Net asset value per share	USD	6.69	6.70	7.16
Class N (acc)				
Net asset value	USD '000	45,706	73,617	55,030
Net asset value per share	USD	13.52	13.09	13.33
Class N (dis)				
Net asset value	USD '000	7,983	7,770	8,010
Net asset value per share	USD	6.83	6.83	7.30
Class W (acc)				
Net asset value	USD '000	29,282	45,273	11,727
Net asset value per share	USD	14.25	13.73	13.84
Class W (dis)				
Net asset value	USD '000	7,853	9,290	7,983
Net asset value per share	USD	7.90	7.86	8.32

*The Net Asset Value less than USD 500 has been rounded.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 JANUARY 2023

4. Redeemable Shares and Share Capital (continued)

Reconciliation of the Net asset value per share as per these Financial Statements to the Dealing Net asset value per share

The Net asset value per share as per these Financial Statements includes all trades with a trade date up to and including 31 January 2023 albeit that the trades may have been booked after 31 January 2023, whereas the Dealing Net asset value per share includes trades with a trade date up to and including 31 January 2023 booked up to 31 January 2023. A reconciliation of the Net asset value per share as per these Financial Statements to the Dealing Net asset value per share as at 31 January 2023 is presented below:

	Dealing Net asset value per share	Adjustment	Net asset value per share as per these Financial Statements
Class A (acc)	15.42	0.00	15.42
Class A (dis)	6.87	0.00	6.87
Class A (dis) EUR-H1	7.27	0.00	7.27
Class A (dis) HKD	8.58	(0.01)	8.57
Class A (dis) RMB-H1	91.20	(0.02)	91.18
Class A (dis) SGD-H1	7.66	0.00	7.66
Class AX	6.81	0.00	6.81
Class B	6.61	(0.04)	6.57
Class C (acc)	9.97	0.00	9.97
Class C (dis)	6.69	0.00	6.69
Class N (acc)	13.52	0.00	13.52
Class N (dis)	6.83	0.00	6.83
Class W (acc)	14.25	0.00	14.25
Class W (dis)	7.90	0.00	7.90

The NAV for each class of share at the Statement of Financial Position date, using the mid market prices is presented in the table above. In the event of certain circumstances, shares can be redeemed at the Company's option. Details of these circumstances can be seen in the Company's Prospectus.

The Net asset value per share as per these Financial Statements includes all trades with a trade date up to and including 29 July 2022 albeit that the trades may have been booked after 29 July 2022, whereas the Dealing Net asset value per share includes trades with a trade date up to and including 29 July 2022 booked up to 29 July 2022. A reconciliation of the Net asset value per share as per these Financial Statements to the Dealing Net asset value per share as at 31 July 2022 is presented below:

	Dealing Net asset value per share	Adjustment	Net asset value per share as per these Financial Statements
Class A (acc)	14.85	0.03	14.88
Class A (dis)	6.87	(0.02)	6.85
Class A (dis) EUR-H1	7.37	(0.02)	7.35
Class A (dis) HKD	8.59	(0.03)	8.56
Class A (dis) RMB-H1	92.04	(0.26)	91.78
Class A (dis) SGD-H1	7.68	(0.03)	7.65
Class AX	6.82	(0.02)	6.80
Class B	6.68	(0.02)	6.66
Class C (acc)	9.63	0.02	9.65
Class C (dis)	6.72	(0.02)	6.70
Class N (acc)	13.07	0.02	13.09
Class N (dis)	6.85	(0.02)	6.83
Class W (acc)	13.70	0.03	13.73
Class W (dis)	7.89	(0.03)	7.86

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 JANUARY 2023

5. Taxation

Under current Irish law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended ("TCA"). On that basis, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the occurrence of a "chargeable event". A chargeable event includes any distribution payments to shareholders, any encashment, redemption, cancellation or transfer or deemed disposal of shares for Irish tax purposes, and the holding of shares at the end of each eight year period beginning with the acquisition of such shares. No Irish tax will arise on the Company in respect of chargeable events in respect of:

- a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with Schedule 2B of the TCA are held by the Company and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or where the Company has been authorised by the Irish Revenue Commissioners to make gross payments in the absence of appropriate declarations; or
- a shareholder who is an exempt Irish investor (as defined in Section 739D), at the time of the chargeable event, provided the relevant declaration in accordance with Schedule 2B of the TCA, is held by the Company and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or the Company has been authorised by the Irish Revenue Commissioners to make gross payments in the absence of appropriate declarations.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

6. Exchange rates

The following USD exchange rates were used to convert the investments and other assets and liabilities denominated in currencies other than USD:

Currency	31 January 2023 Rate	31 July 2022 Rate
USD = 1		
CNH	6.7548	6.7511
EUR	0.9198	0.9784
HKD	7.8406	7.8500
SGD	1.3138	1.3815

7. Fair value estimation

The Company is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments that the entity can access at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD ENDED 31 JANUARY 2023

7. Fair value estimation (continued)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

There were no significant transfers between levels during the period (31 July 2022: None).

The following table presents the investment in the Master Trust carried on the Statement of Financial Position by level within the valuation hierarchy as of 31 January 2023:

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Financial assets at fair value through profit or loss:				
Investment funds	–	475,755	–	475,755
Unrealised gains on forward currency contracts	–	74	–	74
Total	–	475,829	–	475,829
Financial liabilities at fair value through profit or loss:				
Unrealised losses on forward currency contracts	–	(1)	–	(1)
Total	–	(1)	–	(1)

The following table presents the investment in the Master Trust carried on the Statement of Financial Position by level within the valuation hierarchy as of 31 July 2022:

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Financial assets at fair value through profit or loss:				
Investment funds	–	616,607	–	616,607
Unrealised gains on forward currency contracts	–	92	–	92
Total	–	616,699	–	616,699
Financial liabilities at fair value through profit or loss:				
Unrealised losses on forward currency contracts	–	(4)	–	(4)
Total	–	(4)	–	(4)

The leveling applicable to the Master Trust can be found in the Master Trust financial statements, as at 31 January 2023 USD '000 12,442 (31 July 2022: USD '000 10,779) representing 2.62% (31 July 2022: 1.75%) was classified as Level 3 securities.

Cash and cash equivalents, Cash pledged as collateral, and other short-term investments in an active market are categorized as Level 1.

For assets and liabilities carried at amortised cost, their carrying values are a reasonable approximation of fair value.

8. Efficient portfolio management

The Company may, for the purposes of efficient portfolio management and hedging of currency risks, enter into forward foreign currency contracts on the basis of “over the counter” (OTC) arrangements with highly rated financial institutions specialising in these types of transaction. Realised gains and losses on financial instruments held for efficient portfolio management purposes are included in the Statement of Comprehensive Income. Details of the open forward foreign currency contracts held as at 31 January 2023 are included in Schedule of investments on page 4.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 JANUARY 2023

9. Significant agreements and related party transactions

IAS 24 "Related Party Transactions" requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity. The Master Trust has Franklin Advisers, Inc. as Investment manager, Franklin Templeton Services, LLC ("FT Services") as the Administrative manager and Franklin Templeton Investor Services, LLC ("Investor Services") as the Transfer Agent. The Company is 100% owned by Templeton Global Advisors Limited, which is made up of a number of nominee accounts.

Investment Adviser to the Master Trust

The Investment Adviser to the Master Trust has agreed to waive any preliminary or initial charge that it may otherwise be entitled to receive in respect of any investment made by the Company in the Master Trust. The Master Trust pays an investment management fee to Franklin Advisers based on the average daily net assets. For the period ended 31 January 2023 and 31 January 2022, the effective investment management fee rate was 0.53% respectively of the Company's average daily net assets (Up to and including USD 2.5 billion).

Under an agreement with Franklin Advisers, FT Services provides administrative services to the Master Trust. The fee is paid by Franklin Advisers based on the Master's average daily net assets, and is not an additional expense of the Master Trust. Also, Investor Services, under terms of an agreement, performs shareholder servicing for the Master Trust and is not paid by the Master Trust for the services.

AIFM, Distributor, transfer agency, shareholder servicing and shareholder maintenance

Franklin Templeton International Services S.à r.l. is the AIFM and Principal Distributor for the Company.

There were no expenses cap reimbursement received from the AIFM during the period (31 January 2022: USD '000 Nil). As at 31 January 2023, the Company was not due any expense cap reimbursement (31 July 2022: USD '000 Nil) from the AIFM.

Franklin Templeton International Services S.à r.l. is entitled to receive a fee up to 0.06% per annum of the average daily NAV of the Company in respect of management company and principal distribution services. During the period the Company incurred AIFM fees of USD '000 167 (31 January 2022: USD '000 100) of which USD '000 25 (31 July 2022: USD '000 32) was payable at 31 January 2023.

The Distributor has an agreement with Société Générale ("SG") whereby SG finances the distribution fees payable on the B share class. In this regard, the Principal Distributor has authorised the Company to pay a portion of its distribution fees directly to SG on its behalf.

In addition to the fee of 0.06% per annum above to which it is entitled under the AIFM Agreement, the Distributor (or such other person as the Distributor may from time to time appoint to defray distribution costs incurred by the Distributor) is entitled to receive a fee of up to 50 basis points of the average daily NAV of Class AX Shares, a fee of up to 1.05% per annum of the average daily NAV of Class B Shares, a fee of up to 1.10% per annum of the average daily NAV of Class C (acc) Shares and Class C (dis) Shares, a fee of up to 1% per annum of the average daily NAV of Class N (acc) Shares and Class N (dis) Shares. These fees shall be accrued daily and paid monthly in arrears.

The Distributor is entitled to receive a shareholder maintenance fee of up to 0.3% per annum of the average daily NAV of the A share classes and a shareholder maintenance fee of up to 0.25% per annum of the average daily NAV of the B share class. These fees shall be accrued daily and paid monthly in arrears.

There is an upfront sales charge of up to 6.5% of the total amount invested payable to the Distributor in respect of any investment in class A and class AX shares. There is an upfront sales charge of up to 3% of the total amount invested payable to the Distributor for the N share class.

During the period the Company incurred distribution fees of USD '000 678 (31 January 2022: USD '000 686) of which USD '000 677 (31 January 2022: USD '000 684) were earned by the Distributor USD '000 1 (31 January 2022: USD '000 2) were earned by SG. Fees payable were USD '000 101 (31 July 2022: USD '000 131) and USD '000 Nil (31 July 2022: USD '000 Nil) at 31 January 2023 to the Distributor and SG, respectively.

The Distributor earned shareholder maintenance fees of USD '000 533 (31 January 2022: USD '000 459) of which USD '000 81 (31 July 2022: USD '000 101) was payable at 31 January 2023.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 JANUARY 2023

9. Significant agreements and related party transactions (continued)

AIFM, Distributor, transfer agency, shareholder servicing and shareholder maintenance (continued)

The following distribution fees were incurred by the Company for the periods ended 31 January 2023 and 31 January 2022.

Class	Annual Fee	Period ended 31 January 2023 USD '000	Period ended 31 January 2022 USD '000
AX	0.50%	98	91
B	1.05%	1	2
C (acc)	1.10%	50	25
C (dis)	1.10%	177	181
N (acc)	1.00%	314	345
N (dis)	1.00%	38	42
		678	686

The following shareholder maintenance fees were incurred by the Company for the periods ended 31 January 2023 and 31 January 2022.

Class	Annual Fee	Period ended 31 January 2023 USD '000	Period ended 31 January 2022 USD '000
A (acc)	0.30%	269	243
A (dis)	0.30%	240	203
A (dis) EUR – H1	0.30%	2	–
A (dis) HKD	0.30%	14	–
A (dis) RMB – H1	0.30%	2	–
A (dis) SGD – H1	0.30%	6	12
B	0.25%	–	1
		533	459

Holders of B shares may be subject to a contingent deferred sales charge ("CDSC") payable to the Distributor; the amount of which is calculated by reference to the length of time the shares have been held by the relevant investor. There were no CDSC payable for the period ended 31 January 2023 (31 July 2022: USD '000 Nil). The amount of CDSC payable is calculated as follows:

Period Held	CDSC for B Shares
Less than 1 year	4%
Equal or more than one year but less than two years	3%
Equal or more than two years but less than three years	2%
Equal or more than three years but less than four years	1%
Equal or more than four years	0%

Holders of Class C (dis) shares and Class C (acc) shares may be subject to a CDSC of 1% if the shares are held for less than twelve months, payable to the Distributor.

Holders of Class A and AX shares may be subject to a CDSC of 1% if the shares are held for less than eighteen months, payable to the Distributor.

The Company will pay a fee of up to 0.60% per annum of the average daily Net Asset Value of the Company in respect of accounting, NAV calculation, fund administration, transfer agency and shareholder services. Franklin Templeton International Services S.à r.l. will receive 0.05% of these fees for shareholder servicing. During the period the Company incurred fees of USD '000 139 (31 January 2022: USD '000 121) of which USD '000 73 was payable at 31 January 2023 (31 July 2022: USD '000 5) to Franklin Templeton International Services S.à r.l.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 JANUARY 2023

9. Significant agreements and related party transactions (continued)

Franklin Floating Rate Master Trust

The transactions between the Company and the Master Trust consist only of dealing in the units of the Master Trust and the receipt of dividends by the Company from the Master Trust.

The Master Trust is an open-ended investment company, which was incorporated in November 1999. At the period end 31 January 2023 and year end 31 July 2022 the balances between the Company and the Master Trust are disclosed on the Statement of Financial Position of the Company and comprise the investments in securities, proceeds due from investments sold and dividends receivable. The total dividend received from the Master Trust is disclosed as Dividend Income in the Statement of Comprehensive Income.

The registered office of the Master Trust, which is a US Investment Trust, is Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, U.S.A. and the Company holds 100% (31 July 2022: 100%) of the units of the Master Trust.

Administrator

J.P. Morgan Administration Services (Ireland) Limited is the Administrator for the Company. The Administrator charges a fee of up to 0.60% per annum of the average daily Net Asset Value of the Company in respect of accounting, NAV calculation, fund administration, transfer agency and shareholder services. These fees shall be accrued daily and paid monthly in arrears.

During the period the Administrator earned fees of USD '000 245 (31 January 2022: USD '000 217) of which USD '000 219 (31 July 2022: USD '000 175) was payable at 31 January 2023.

Depository

The Depository, J.P. Morgan Bank SE – Dublin Branch charges a fee of up to 0.025% per annum of the average daily Net Asset Value of the Company for the provision of safekeeping, settlement and trustee services for the Company. These fees are accrued daily and paid monthly in arrears.

During the period the Depository earned fees of USD '000 18 (31 January 2022: USD '000 17) of which USD '000 32 (31 July 2022: USD '000 51) was payable at 31 January 2023.

Directors

The non-independent Directors of the Company, Joseph LaRocque and Joesph Carrier, from 3 October 2022 with his cessation of employment with Franklin Templeton and the independent Directors, Fionnuala Doris and Joseph Keane, will be entitled to receive an annual fee of approximately EUR '000 6 each, calculated based on the pro rata share of their time commitment to the Company. The non-independent Directors of the Company, William Jackson, Jaspal Sagger and Jane Trust will not be entitled to receive an annual fee.

Significant shareholders

There is 1 shareholder with significant holdings (at least 20%) of the Fund as at 31 January 2023 (31 July 2022: 1 shareholder).

All transactions with affiliates were entered into in the ordinary course of business.

Connected Parties Compliance Statement

Conditions have been imposed by the Central Bank of Ireland under Section 1.viii of the AIF Rulebook for Directors to confirm compliance with regulatory requirements in relation to transactions between the Company and a connected person.

The Directors are satisfied that (a) there are arrangements in place evidenced by written procedures to ensure that all such transactions are carried out on an arm's length basis, entered into in the ordinary course of business and on normal commercial terms, and are in the best interests of the shareholders and (b) all such transactions during the financial period complied with these obligations.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 JANUARY 2023

10. Transaction costs

In order to achieve its investment objective, the Company may incur transaction costs in relation to trading activity on its portfolio.

There were no transaction costs which are separately identifiable incurred by the Company for the period ended 31 January 2023 (31 January 2022: None).

11. Soft commissions

There have been no soft commission arrangements affecting the Company during the period (31 January 2022: None).

12. Contingent liabilities

There are no contingent liabilities as of 31 January 2023 (31 July 2022: None).

13. Significant events during the period

On February 24, 2022, Russia engaged in military actions in the sovereign territory of Ukraine. The current political and financial uncertainty surrounding Russia and Ukraine may increase market volatility and the economic risk of investing in securities in these countries and other impacted countries within the region. The impacted securities, if applicable, are noted in the respective Fund's Schedule of Investment. Due to the sanctions, actions by governments, developments in Ukraine itself and other circumstances, the Manager continues to assess the impact on valuation and will take any potential actions, if needed, as facts and circumstances are subject to change.

On 3 October 2022 Joseph Carrier ceased full-time employment with Franklin Templeton Investments. Mr. Carrier continues to act as a non-executive Director of the Company and from 3 October 2022 is remunerated in line with the other non-executive Directors of the Company.

On 21 December 2022, an updated Prospectus was issued by the Company and noted by the Central Bank.

There have been no other significant events during the period.

14. Significant events since period end

There have been no significant events since period end.

15. Authorisation of the financial statements

The financial statements were authorised for issue by the Board of Directors on 23 March 2023.

Appendix A:

Franklin Floating Rate Master Trust

Your Fund's Expenses

As a Fund shareholder, you can incur two types of costs: (1) transaction costs, including sales charges (loads) on Fund purchases and redemptions; and (2) ongoing Fund costs, including management fees, distribution and service (12b-1) fees, and other Fund expenses. All mutual funds have ongoing costs, sometimes referred to as operating expenses. The table below shows ongoing costs of investing in the Fund and can help you understand these costs and compare them with those of other mutual funds. The table assumes a \$1,000 investment held for the six months indicated.

Actual Fund Expenses

The table below provides information about actual account values and actual expenses in the columns under the heading "Actual." In these columns the Fund's actual return, which includes the effect of Fund expenses, is used to calculate the "Ending Account Value." You can estimate the expenses you paid during the period by following these steps (*of course, your account value and expenses will differ from those in this illustration*): Divide your account value by \$1,000 (*if your account had an \$8,600 value, then $\$8,600 \div \$1,000 = 8.6$*). Then multiply the result by the number under the headings "Actual" and "Expenses Paid During Period" (*if Actual Expenses Paid During Period were \$7.50, then $8.6 \times \$7.50 = \64.50*). In this illustration, the actual expenses paid this period are \$64.50.

Hypothetical Example for Comparison with Other Funds

Under the heading "Hypothetical" in the table, information is provided about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. This information may not be used to estimate the actual ending account balance or expenses you paid for the period, but it can help you compare ongoing costs of investing in the Fund with those of other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that expenses shown in the table are meant to highlight ongoing costs and do not reflect any transactional costs. Therefore, information under the heading "Hypothetical" is useful in comparing ongoing costs only, and will not help you compare total costs of owning different funds. In addition, if transactional costs were included, your total costs would have been higher.

Beginning Account Value 8/1/22	Actual (actual return after expenses)		Hypothetical (5% annual return before expenses)		Annualized Expense Ratio ²
	Ending Account Value 1/31/23	Expenses Paid During Period 8/1/22–1/31/23 ^{1,2}	Ending Account Value 1/31/23	Expenses Paid During Period 8/1/22–1/31/23 ^{1,2}	
\$1,000	\$1,041.10	\$2.73	\$1,022.53	\$2.70	0.53%

1. Expenses are equal to the annualized expense ratio for the six-month period as indicated above—in the far right column—multiplied by the simple average account value over the period indicated, and then multiplied by 184/365 to reflect the one-half year period.

2. Reflects expenses after fee waivers and expense reimbursements. Does not include acquired fund fees and expenses.

Financial Highlights

Franklin Floating Rate Master Series

	Six Months Ended January 31, 2023 (unaudited)	Year Ended July 31,				
		2022	2021	2020	2019	2018
Per share operating performance						
(for a share outstanding throughout the period)						
Net asset value, beginning of period	\$7.00	\$7.38	\$6.99	\$8.18	\$8.54	\$8.69
Income from investment operations ^a :						
Net investment income	0.259 ^b	0.292 ^b	0.301 ^b	0.415	0.460	0.398
Net realized and unrealized gains (losses) . .	0.020	(0.341)	0.417	(1.141)	(0.378)	(0.156)
Total from investment operations	0.279	(0.049)	0.718	(0.726)	0.082	0.242
Less distributions from:						
Net investment income	(0.279)	(0.331)	(0.328)	(0.464)	(0.442)	(0.392)
Net asset value, end of period	\$7.00	\$7.00	\$7.38	\$6.99	\$8.18	\$8.54
Total return ^c	4.11%	(0.73)%	10.51%	(9.13)%	0.98%	2.73%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	0.57%	0.57%	0.61%	0.58%	0.55%	0.55%
Expenses net of waiver and payments by affiliates	0.53%	0.53% ^e	0.53% ^e	0.53% ^e	0.53% ^e	0.53% ^e
Net investment income	7.39%	4.01%	4.19%	5.41%	5.29%	4.60%
Supplemental data						
Net assets, end of period (000's)	\$475,755	\$616,607	\$430,129	\$394,720	\$1,054,679	\$1,760,544
Portfolio turnover rate	4.18%	32.84%	74.82%	16.80%	27.92% ^f	49.97%

^a The amount shown for a share outstanding throughout the period may not correlate with the Statement of Operations for the period due to the timing of sales and repurchases of the Fund's shares in relation to income earned and/or fluctuating fair value of the investments of the Fund.

^b Based on average daily shares outstanding.

^c Total return is not annualized for periods less than one year.

^d Ratios are annualized for periods less than one year, except for non-recurring expenses, if any.

^e Benefit of expense reduction rounds to less than 0.01%.

^f Excludes the value of portfolio activity as a result of in-kind transactions.

Schedule of Investments (unaudited), January 31, 2023

Franklin Floating Rate Master Series

	Country	Shares	Value	% of Net Assets
Common Stocks				
Industrial Machinery				
^a UTEX Industries, Inc.	United States	120,386	\$7,945,476	1.67
Leisure Facilities				
^a 24 Hour Fitness Worldwide, Inc.	United States	104,009	26,938	0.00
Oil & Gas Exploration & Production				
Quaternorth Energy Holding, Inc.	United States	111,779	15,537,282	3.27
Trucking				
^{a,b} Onsite Rental Group Operations Pty. Ltd.	Australia	5,879,078	912,943	0.19
Total Common Stocks (Cost \$25,422,296)			24,422,639	5.13
Management Investment Companies				
Asset Management & Custody Banks				
^c Franklin Floating Rate Income Fund	United States	461,717	3,592,155	0.76
^c Franklin Senior Loan ETF	United States	393,148	9,409,997	1.98
Invesco Senior Loan ETF	United States	117,471	2,479,813	0.52
			15,481,965	3.26
Total Management Investment Companies (Cost \$17,002,302)			15,481,965	3.26
Preferred Stocks				
Leisure Facilities				
^a 24 Hour Fitness Worldwide, Inc.	United States	246,320	3,695	0.00 [†]
Total Preferred Stocks (Cost \$332,425)			3,695	0.00[†]
Warrants				
Industrial Machinery				
^{a,b} UTEX Industries, Inc., 2/20/49	United States	321	1,716	0.00 [†]
Total Warrants (Cost \$-)			1,716	0.00[†]
Corporate Bonds				
Airlines				
^d American Airlines Inc/AAAdvantage Loyalty IP Ltd., Senior Secured Note, 144A, 5.5%, 4/20/26	United States	1,700,000	1,668,482	0.35
^d Delta Air Lines, Inc. / SkyMiles IP Ltd., Senior Secured Note, 144A, 4.5%, 10/20/25	United States	1,146,000	1,132,640	0.24
^d United Airlines, Inc., Senior Secured Note, 144A, 4.375%, 4/15/26	United States	1,165,000	1,107,362	0.23
			3,908,484	0.82
Broadcasting				
^d Univision Communications, Inc., Senior Secured Note, 144A, 5.125%, 2/15/25	United States	400,000	390,178	0.08
Cable & Satellite				
^d Directv Financing LLC / Directv Financing Co-Obligor, Inc., Senior Secured Note, 144A, 5.875%, 8/15/27	United States	2,100,000	1,905,288	0.40
^d Radiate Holdco LLC / Radiate Finance, Inc., Senior Secured Note, 144A, 4.5%, 9/15/26	United States	600,000	460,500	0.10
			2,365,788	0.50

Franklin Floating Rate Master Series (continued)

	Country	Principal Amount*	Value	% of Net Assets
Corporate Bonds (continued)				
Casinos & Gaming				
^d International Game Technology plc, Senior Secured Note, 144A, 5.25%, 1/15/29	United States	900,000	\$864,860	0.18
Communications Equipment				
^d CommScope, Inc., Senior Secured Note, 144A, 4.75%, 9/01/29 ..	United States	692,300	577,129	0.12
Construction Materials				
^d Cemex SAB de CV, Senior Bond, 144A, 5.2%, 9/17/30	Mexico	750,000	702,369	0.15
Diversified Chemicals				
^d SCIH Salt Holdings, Inc., Senior Secured Note, 144A, 4.875%, 5/01/28	United States	1,100,000	969,425	0.20
Environmental & Facilities Services				
^d GFL Environmental, Inc., Senior Secured Note, 144A, 3.5%, 9/01/28	Canada	900,000	803,781	0.17
Health Care Services				
^d MPH Acquisition Holdings LLC, Senior Secured Note, 144A, 5.5%, 9/01/28	United States	453,000	376,665	0.08
Independent Power Producers & Energy Traders				
^d Calpine Corp., Senior Secured Note, 144A, 4.5%, 2/15/28	United States	1,800,000	1,663,596	0.35
Integrated Telecommunication Services				
^d Altice France SA, Senior Secured Note, 144A, 5.125%, 7/15/29	France	800,000	628,968	0.14
Senior Secured Note, 144A, 5.5%, 10/15/29	France	1,270,000	1,005,784	0.21
			1,634,752	0.35
Investment Banking & Brokerage				
^d Jane Street Group / JSG Finance, Inc., Senior Secured Note, 144A, 4.5%, 11/15/29	United States	800,000	715,279	0.15
Metal & Glass Containers				
^d Ardagh Packaging Finance plc / Ardagh Holdings USA, Inc., Senior Secured Note, 144A, 4.125%, 8/15/26	United States	1,900,000	1,736,334	0.37
Movies & Entertainment				
^d Banijay Entertainment SASU, Senior Secured Note, 144A, 5.375%, 3/01/25	France	500,000	483,120	0.10
Multi-line Insurance				
^d Acrisure LLC / Acrisure Finance, Inc., Senior Secured Note, 144A, 4.25%, 2/15/29	United States	529,400	440,334	0.09
Office Services & Supplies				
Pitney Bowes, Inc., Senior Bond, 4.625%, 3/15/24	United States	314,000	304,894	0.06
Oil & Gas Equipment & Services				
^d Weatherford International Ltd., Senior Secured Note, 144A, 6.5%, 9/15/28	United States	241,100	240,155	0.05
Oil & Gas Storage & Transportation				
Cheniere Energy, Inc., Senior Note, 4.625%, 10/15/28	United States	450,000	429,032	0.09
Paper Packaging				
^d Pactiv Evergreen Group Issuer LLC / Pactiv Evergreen Group Issuer, Inc., Senior Secured Note, 144A, 4.375%, 10/15/28	United States	375,000	333,719	0.07

Franklin Floating Rate Master Series (continued)

	Country	Principal Amount*	Value	% of Net Assets
Corporate Bonds (continued)				
Paper Packaging (continued)				
^d Pactiv Evergreen Group Issuer, Inc./Pactiv Evergreen Group Issuer LLC, Senior Secured Note, 144A, 4%, 10/15/27.....	United States	800,000	\$719,120	0.15
			1,052,839	0.22
Specialized Consumer Services				
^d WW International, Inc., Senior Secured Note, 144A, 4.5%, 4/15/29.....	United States	1,200,000	640,797	0.14
Specialty Chemicals				
^d ASP Unifrax Holdings, Inc., Senior Secured Note, 144A, 5.25%, 9/30/28.....	United States	645,200	553,568	0.12
Specialty Stores				
^d 99 Escrow Issuer, Inc., Senior Secured Note, 144A, 7.5%, 1/15/26.....	United States	580,645	281,381	0.06
Trucking				
^d First Student Bidco, Inc. / First Transit Parent, Inc., Senior Secured Note, 144A, 4%, 7/31/29.....	United States	500,000	416,952	0.09
^{b,e} Onsite Rental Group Operations Pty. Ltd., PIK, 6.1%, 10/26/23.....	Australia	10,725,759	11,527,399	2.42
			11,944,351	2.51
Wireless Telecommunication Services				
^d Vmed O2 UK Financing I plc, Senior Secured Bond, 144A, 4.25%, 1/31/31.....	United Kingdom	360,000	301,090	0.06
Total Corporate Bonds (Cost \$37,773,526)			33,380,201	7.02
^fSenior Floating Rate Interests				
Advertising				
^g Clear Channel Outdoor Holdings, Inc., Term Loan, B, 8.325%, (1-month USD LIBOR + 3.5%; 3-month USD LIBOR + 3.5%), 8/21/26.....	United States	1,667,092	1,589,989	0.33
Aerospace & Defense				
^{e,g} Alloy FinCo Ltd., Term Loan, B, 14%, PIK, (3-month USD LIBOR + 0.5%), 3/06/25.....	United Kingdom	4,462,986	3,646,818	0.77
Air Freight & Logistics				
^g Kenan Advantage Group, Inc. (The), U.S. Term Loan, B1, 8.32%, (1-month USD LIBOR + 3.75%), 3/24/26.....	United States	2,941,295	2,914,941	0.61
Airlines				
AAAdvantage Loyalty IP Ltd. (American Airlines, Inc.), Initial Term Loan, 9.558%, (3-month USD LIBOR + 4.75%), 4/20/28.....	United States	1,513,781	1,556,825	0.33
Air Canada, Term Loan, 8.13%, (3-month USD LIBOR + 3.5%), 8/11/28.....	Canada	2,479,787	2,486,420	0.52
American Airlines, Inc., 2018 Replacement Term Loan, 6.267%, (1-month USD LIBOR + 1.75%), 6/27/25.....	United States	3,116,653	3,061,691	0.64
Kestrel Bidco, Inc., Term Loan, 7.508%, (1-month USD LIBOR + 3%), 12/11/26.....	Canada	4,667,596	4,495,782	0.95
United AirLines, Inc., Term Loan, B, 8.568%, (3-month USD LIBOR + 3.75%), 4/21/28.....	United States	3,360,218	3,366,484	0.71
			14,967,202	3.15

Franklin Floating Rate Master Series (continued)

	Country	Principal Amount*	Value	% of Net Assets
^fSenior Floating Rate Interests (continued)				
^gAirport Services				
First Student Bidco, Inc., Initial Term Loan, B, 7.726%, (3-month USD LIBOR +3%), 7/21/28	United States	1,785,495	\$1,690,024	0.36
Initial Term Loan, C, 7.726%, (3-month USD LIBOR +3%), 7/21/28	United States	665,733	630,136	0.13
LaserShip, Inc., First Lien, Initial Term Loan, 9.23%, (3-month USD LIBOR + 4.5%), 5/07/28	United States	2,737,693	2,055,419	0.43
			4,375,579	0.92
Alternative Carriers				
^g Zayo Group Holdings, Inc., Initial Dollar Term Loan, 7.57%, (1-month USD LIBOR + 3%), 3/09/27	United States	623,553	525,468	0.11
^gApparel, Accessories & Luxury Goods				
Champ Acquisition Corp., First Lien, Initial Term Loan, 10.23%, (3-month USD LIBOR + 5.5%), 12/19/25	United States	1,969,196	1,970,437	0.41
Tory Burch LLC, Initial Term Loan, B, 8.07%, (1-month USD LIBOR + 3.5%), 4/16/28	United States	579,923	559,988	0.12
			2,530,425	0.53
^gApplication Software				
Central Parent, Inc., Initial CME Term Loan, B, 9.08%, (3-month SOFR + 4.5%), 7/06/29	United States	617,143	616,662	0.13
Cloudera, Inc., First Lien, Initial Term Loan, 8.32%, (1-month USD LIBOR + 3.75%), 10/08/28	United States	2,521,200	2,430,525	0.51
Second Lien, Initial Term Loan, 10.57%, (1-month USD LIBOR + 6%), 10/08/29	United States	918,595	810,660	0.17
Cornerstone OnDemand, Inc., First Lien, Initial Term Loan, 8.32%, (1-month USD LIBOR + 3.75%), 10/16/28	United States	892,445	824,396	0.17
ECI Macola/MAX Holding LLC, First Lien, Initial Term Loan, 8.48%, (3-month USD LIBOR + 3.75%), 11/09/27	United States	1,430,227	1,408,180	0.30
Epicor Software Corp., Term Loan, C, 7.82%, (1-month USD LIBOR + 3.25%), 7/30/27	United States	2,939,505	2,892,165	0.61
Genesys Cloud Services Holdings I LLC, 2020 Initial Dollar Term Loan, 8.443%, (1-month USD LIBOR + 4%), 12/01/27	United States	5,119,121	5,036,472	1.06
GoTo Group, Inc., First Lien, Initial Term Loan, 9.297%, (1-month USD LIBOR + 4.75%), 8/31/27	United States	2,167,620	1,216,577	0.26
IGT Holding IV AB, Term Loan, B2, 8.13%, (3-month USD LIBOR + 3.4%), 3/31/28	Sweden	506,757	506,757	0.11
Mitchell International, Inc., First Lien, Initial Term Loan, 8.415%, (3-month USD LIBOR + 3.75%), 10/15/28	United States	2,177,238	2,084,368	0.44
Second Lien, Initial Term Loan, 11.235%, (3-month USD LIBOR + 6.5%), 10/15/29	United States	142,857	122,880	0.02
Polaris Newco LLC, First Lien, Dollar Term Loan, 8.73%, (3-month USD LIBOR + 4%), 6/02/28	United States	1,890,713	1,799,430	0.38
UKG, Inc., First Lien, 2021-2 Incremental Term Loan, 8.032%, (3-month USD LIBOR + 3.25%), 5/04/26	United States	1,922,468	1,894,362	0.40
First Lien, Initial Term Loan, 8.575%, (3-month USD LIBOR + 3.75%), 5/04/26	United States	1,621,805	1,608,522	0.33
Second Lien, 2021 Incremental Term Loan, 10.032%, (3-month USD LIBOR + 5.25%), 5/03/27	United States	1,182,315	1,136,707	0.24
			24,388,663	5.13

Franklin Floating Rate Master Series (continued)

	Country	Principal Amount*	Value	% of Net Assets
^fSenior Floating Rate Interests (continued)				
^gAsset Management & Custody Banks				
Edelman Financial Engines Center LLC (The), First Lien, 2021 Initial Term Loan, 8.07%, (1-month USD LIBOR + 3.5%), 4/07/28.	United States	1,546,577	\$1,518,259	0.32
Russell Investments US Institutional Holdco, Inc., 2025 Term Loan, 8.07%, (1-month USD LIBOR + 3.5%), 5/30/25	United States	941,523	924,853	0.20
			2,443,112	0.52
^gAuto Parts & Equipment				
Adient US LLC, Term Loan, B1, 7.82%, (1-month USD LIBOR + 3.25%), 4/10/28	United States	3,323,296	3,319,142	0.70
Clarios Global LP, First Lien, Amendment No. 1 Dollar Term Loan, 7.82%, (1-month USD LIBOR + 3.25%), 4/30/26.	United States	1,800,349	1,798,261	0.38
DexKo Global, Inc., First Lien, Closing Date Term Loan, 8.48%, (3-month USD LIBOR + 3.75%), 10/04/28.	United States	1,346,212	1,248,450	0.26
First Brands Group LLC, 2022-II Incremental CME Term Loan, 10.246%, (6-month SOFR + 5%), 3/30/27	United States	400,000	386,000	0.08
First Lien, 2021 CME Term Loan, 8.368%, (3-month SOFR + 5%), 3/30/27	United States	2,803,640	2,757,380	0.58
Second Lien, 2021 Term Loan, 13.602%, (3-month USD LIBOR + 8.5%), 3/30/28.	United States	1,871,447	1,701,267	0.36
Highline Aftermarket Acquisition LLC, First Lien, Initial Term Loan, 9.07%, (1-month USD LIBOR + 4.5%), 11/09/27. . .	United States	231,640	223,147	0.04
TI Group Automotive Systems LLC, Refinancing U.S. Term Loan, 7.98%, (3-month USD LIBOR + 3.25%), 12/16/26	United States	1,580,148	1,578,828	0.33
			13,012,475	2.73
Automobile Manufacturers				
^g American Trailer World Corp., First Lien, Initial CME Term Loan, 8.411%, (1-month SOFR + 3.75%), 3/03/28.	United States	3,170,567	2,797,153	0.59
Automotive Retail				
^g RealTruck Group, Inc., Initial Term Loan, 8.32%, (1-month USD LIBOR + 3.75%), 1/31/28.	United States	2,890,270	2,608,801	0.55
Brewers				
^g City Brewing Co. LLC, First Lien, Closing Date Term Loan, 8.33%, (3-month USD LIBOR + 3.5%), 4/05/28.	United States	1,329,430	624,832	0.13
^gBroadcasting				
Gray Television, Inc., Term Loan, B2, 6.871%, (1-month USD LIBOR + 2.5%), 2/07/24	United States	493,291	493,969	0.10
Term Loan, D, 7.369%, (1-month USD LIBOR + 3%), 12/01/28.	United States	1,669,483	1,666,612	0.35
iHeartCommunications, Inc., New Term Loan, 7.57%, (1-month USD LIBOR + 3%), 5/01/26	United States	833,333	822,975	0.17
Nexstar Media, Inc., Term Loan, B4, 7.07%, (1-month USD LIBOR + 2.5%), 9/18/26	United States	885,655	887,129	0.19
Univision Communications, Inc., First Lien, 2021 Replacement Converted Term Loan, 7.82%, (1-month USD LIBOR + 3.25%), 3/15/26.	United States	1,036,710	1,027,711	0.22

Franklin Floating Rate Master Series (continued)

	Country	Principal Amount*	Value	% of Net Assets
^fSenior Floating Rate Interests (continued)				
^gBroadcasting (continued)				
Univision Communications, Inc. (continued)				
First Lien, Initial Term Loan, B, 7.82%, (1-month USD LIBOR + 3.25%), 1/31/29	United States	1,788,484	\$1,762,936	0.37
			6,661,332	1.40
Building Products				
^g Cornerstone Building Brands, Inc., Term Loan, B, 7.709%, (1-month USD LIBOR + 3.25%), 4/12/28	United States	940,687	883,192	0.19
^gCable & Satellite				
CSC Holdings LLC, March 2017 Refinancing Term Loan, 6.709%, (1-month USD LIBOR + 2.25%), 7/17/25	United States	2,121,097	2,052,161	0.43
Radiate Holdco LLC, Amendment No. 6 Term Loan, 7.82%, (1-month USD LIBOR + 3.25%), 9/25/26	United States	2,839,258	2,379,483	0.50
Virgin Media Bristol LLC, Term Loan, Q, 7.709%, (1-month USD LIBOR + 3.25%), 1/31/29	United States	1,788,848	1,792,623	0.38
			6,224,267	1.31
Casinos & Gaming				
^g Bally's Corp., Term Loan, B, 7.709%, (1-month USD LIBOR + 3.25%), 10/02/28	United States	3,614,367	3,483,581	0.73
^{h,j} Caesars Entertainment, Inc., Term Loan, B, TBD, 1/20/30	United States	1,245,256	1,245,704	0.26
^g Caesars Resort Collection LLC, Term Loan, B, 7.32%, (1-week USD LIBOR + 2.75%), 12/23/24	United States	2,729,861	2,730,966	0.57
Term Loan, B1, 8.07%, (1-week USD LIBOR + 3.5%), 7/21/25	United States	757,894	758,804	0.16
^g Fertitta Entertainment LLC, Initial CME Term Loan, B, 8.561%, (1-month SOFR + 4%), 1/27/29	United States	2,543,150	2,517,896	0.53
^g Flutter Entertainment plc, Third Amendment CME Term Loan, 2028 B, 8.092%, (3-month SOFR + 3.25%), 7/22/28	Ireland	422,670	423,993	0.09
^g Penn National Gaming, Inc., CME Term Loan, B, 7.411%, (1-month SOFR + 2.75%), 5/03/29	United States	1,364,648	1,365,405	0.29
^g Raptor Acquisition Corp., First Lien, Term Loan, B, 8.753%, (3-month USD LIBOR + 4%), 11/01/26	United States	2,686,478	2,673,891	0.56
^g Scientific Games Holdings LP, First Lien, Initial Dollar CME Term Loan, 8.103%, (3-month SOFR + 3.5%), 4/04/29	United States	2,644,557	2,605,642	0.55
^g Scientific Games International, Inc., Initial CME Term Loan, B, 7.578%, (1-month SOFR + 3%), 4/14/29	United States	1,698,442	1,699,045	0.36
			19,504,927	4.10
Commodity Chemicals				
^g Cyanco Intermediate 2 Corp., First Lien, Initial Term Loan, 8.07%, (1-month USD LIBOR + 3.5%), 3/16/25	United States	2,503,848	2,453,771	0.52
Communications Equipment				
^g CommScope, Inc., Initial Term Loan, 7.82%, (1-month USD LIBOR + 3.25%), 4/06/26	United States	1,025,015	1,006,436	0.21
^gConstruction & Engineering				
USIC Holdings, Inc., First Lien, Initial Term Loan, 7.884%, (1-month USD LIBOR + 3.5%), 5/12/28	United States	1,836,375	1,788,748	0.38
Zekelman Industries, Inc., 2020 Term Loan, 6.729%, (3-month USD LIBOR + 2%), 1/24/27	United States	1,391,919	1,383,867	0.29
			3,172,615	0.67

Franklin Floating Rate Master Series (continued)

	Country	Principal Amount*	Value	% of Net Assets
^fSenior Floating Rate Interests (continued)				
Construction Machinery & Heavy Trucks				
^g ASP Blade Holdings, Inc., Initial Term Loan, 8.73%, (3-month USD LIBOR + 4%), 10/13/28	United States	2,542,612	\$2,082,628	0.44
^gDiversified Chemicals				
^h INEOS US Finance LLC, 2027-II Dollar CME Term Loan, 8.411%, (1-month SOFR + 3.75%), 11/08/27	Luxembourg	520,000	520,512	0.11
LSF11 A5 Holdco LLC, CME Term Loan, 8.176%, (1-month SOFR + 3.5%), 10/15/28	United States	1,812,413	1,761,820	0.37
Lummus Technology Holdings V LLC, 2021 Refinancing Term Loan, B, 8.07%, (1-month USD LIBOR + 3.5%), 6/30/27	United States	831,991	815,559	0.17
SCIH Salt Holdings, Inc., First Lien, Incremental Term Loan, B1, 8.415%, (3-month USD LIBOR + 4%), 3/16/27	United States	1,875,880	1,841,729	0.39
			4,939,620	1.04
^gDiversified Support Services				
Amentum Government Services Holdings LLC, First Lien, CME Term Loan, 3, 8.124%, (3-month SOFR + 4%), 2/15/29	United States	4,753,177	4,696,734	0.99
CCI Buyer, Inc., First Lien, Initial CME Term Loan, 8.58%, (3-month SOFR + 4%), 12/17/27	United States	2,299,083	2,261,723	0.48
Spin Holdco, Inc., Initial Term Loan, 8.765%, (3-month USD LIBOR + 4%), 3/04/28	United States	2,754,255	2,189,302	0.46
			9,147,759	1.93
Drug Retail				
^g GNC Holdings, Inc., Second Lien, Term Loan, 10.354%, (1-month USD LIBOR + 6%), 10/07/26	United States	5,342,142	4,961,514	1.04
^gEducation Services				
KUEHG Corp., Term Loan, B3, 8.48%, (3-month USD LIBOR + 3.75%), 2/21/25	United States	2,166,136	2,111,852	0.44
Learning Care Group (US) No. 2, Inc., First Lien, Initial Term Loan, 8.063%, (3-month USD LIBOR + 3.25%), 3/13/25	United States	1,423,648	1,311,536	0.27
			3,423,388	0.71
Environmental & Facilities Services				
^g Madison IAQ LLC, Term Loan, 7.988%, (3-month USD LIBOR + 3.25%), 6/21/28	United States	2,372,452	2,275,454	0.48
Food Retail				
^g Shearer's Foods LLC, First Lien, Refinancing Term Loan, 8.07%, (1-month USD LIBOR + 3.5%), 9/23/27	United States	708,208	696,966	0.15
^gHealth Care Equipment				
Medline Borrower LP, Initial Dollar Term Loan, 7.82%, (1-month USD LIBOR + 3.25%), 10/23/28	United States	2,871,075	2,793,111	0.59
US Radiology Specialists, Inc. (US Outpatient Imaging Services, Inc.), Closing Date Term Loan, 9.875%, (1-month USD LIBOR + 5.25%), 12/15/27	United States	616,568	590,367	0.12
			3,383,478	0.71
^gHealth Care Facilities				
ADMI Corp., Amendment No. 4 Refinancing Term Loan, 7.945%, (1-month USD LIBOR + 3.375%), 12/23/27	United States	1,937,724	1,790,941	0.38
Amendment No. 5 Incremental Term Loan, 8.32%, (1-month USD LIBOR + 3.75%), 12/23/27	United States	382,847	354,771	0.07

Franklin Floating Rate Master Series (continued)

	Country	Principal Amount*	Value	% of Net Assets
^fSenior Floating Rate Interests (continued)				
^gHealth Care Facilities (continued)				
Aveanna Healthcare LLC, First Lien, 2021 Extended Term Loan, 8.139%, (1-month USD LIBOR + 3.75%), 7/17/28.	United States	2,267,691	\$1,865,176	0.39
Charlotte Buyer, Inc., First Lien, Initial CME Term Loan, B, 9.683%, (1-month SOFR + 5.25%), 2/11/28.	United States	645,161	631,252	0.13
FINThrive Software Intermediate Holdings, Inc., First Lien, Initial Term Loan, 8.57%, (1-month USD LIBOR + 4%), 12/18/28.	United States	1,766,463	1,609,690	0.34
Second Lien, Initial Term Loan, 11.32%, (1-month USD LIBOR + 6.75%), 12/17/29.	United States	357,038	252,940	0.05
Medical Solutions Holdings, Inc., First Lien, Initial Term Loan, 8.07%, (1-month USD LIBOR + 3.5%), 11/01/28.	United States	2,877,824	2,788,914	0.59
Pacific Dental Services LLC, Term Loan, 8.008%, (1-month USD LIBOR + 3.5%), 5/05/28.	United States	734,408	728,257	0.15
Pathway Vet Alliance LLC, First Lien, 2021 Replacement Term Loan, 8.32%, (1-month USD LIBOR + 3.75%), 3/31/27.	United States	2,215,220	1,859,201	0.39
Phoenix Newco, Inc., First Lien, Initial Term Loan, 7.634%, (1-month USD LIBOR + 3.25%), 11/15/28.	United States	2,495,517	2,478,784	0.52
			14,359,926	3.01
^gHealth Care Services				
CNT Holdings I Corp., First Lien, Initial CME Term Loan, 8.125%, (3-month SOFR + 3.5%), 11/08/27.	United States	2,526,242	2,499,995	0.53
eResearchTechnology, Inc., First Lien, Initial Term Loan, 9.07%, (1-month USD LIBOR + 4.5%), 2/04/27.	United States	1,070,688	1,005,295	0.21
MPH Acquisition Holdings LLC, Initial Term Loan, 8.985%, (3-month USD LIBOR + 4.25%), 9/01/28.	United States	1,927,605	1,739,056	0.37
National Mentor Holdings, Inc., First Lien, Initial Term Loan, 8.408%, (1-month USD LIBOR + 3.75%; 3-month USD LIBOR + 3.75%), 3/02/28.	United States	3,128,677	2,309,370	0.48
First Lien, Initial Term Loan, C, 8.48%, (3-month USD LIBOR + 3.75%), 3/02/28.	United States	100,015	73,824	0.02
Phoenix Guarantor, Inc., First Lien, Term Loan, B3, 8.07%, (1-month USD LIBOR + 3.5%), 3/05/26.	United States	1,602,164	1,584,644	0.33
Radiology Partners, Inc., First Lien, Term Loan, B, 8.797%, (1-month USD LIBOR + 4.25%), 7/09/25.	United States	2,002,299	1,739,918	0.37
U.S. Anesthesia Partners, Inc., First Lien, Initial Term Loan, 8.619%, (1-month USD LIBOR + 4.25%), 10/01/28.	United States	1,667,102	1,594,166	0.33
Waystar Technologies, Inc., First Lien, Initial Term Loan, 8.57%, (1-month USD LIBOR + 4%), 10/22/26.	United States	5,349,723	5,326,345	1.12
			17,872,613	3.76
Health Care Technology				
^g athenahealth Group, Inc., Initial CME Term Loan, 8.012%, (1-month SOFR + 3.5%), 2/15/29.	United States	5,232,711	4,973,247	1.04
Heavy Electrical Equipment				
^g AZZ, Inc., Initial CME Term Loan, 8.8%, (1-month SOFR + 4.25%), 5/13/29.	United States	609,274	610,471	0.13
^gHome Improvement Retail				
Park River Holdings, Inc., First Lien, Initial Term Loan, 8.004%, (3-month USD LIBOR + 3.25%), 12/28/27.	United States	1,954,834	1,782,975	0.38

Franklin Floating Rate Master Series (continued)

	Country	Principal Amount*	Value	% of Net Assets
^fSenior Floating Rate Interests (continued)				
^gHome Improvement Retail (continued)				
White Cap Supply Holdings LLC, Initial Closing Date CME Term Loan, 8.311%, (1-month SOFR + 3.75%), 10/19/27.	United States	971,636	\$965,563	0.20
			2,748,538	0.58
^gHomefurnishing Retail				
Evergreen AcqCo 1 LP, Initial CME Term Loan, 10.342%, (3-month SOFR + 5.5%), 4/26/28.	United States	1,805,321	1,790,093	0.38
Restoration Hardware, Inc., 2022 Incremental CME Term Loan, 7.911%, (1-month SOFR + 3.25%), 10/20/28.	United States	796,750	779,074	0.16
			2,569,167	0.54
Hotels, Resorts & Cruise Lines				
^g Hilton Grand Vacations Borrower LLC, Initial Term Loan, 7.57%, (1-month USD LIBOR + 3%), 8/02/28	United States	3,103,165	3,108,425	0.65
Household Products				
^g Energizer Holdings, Inc., 2020 Term Loan, 6.813%, (1-month USD LIBOR + 2.25%), 12/22/27.	United States	662,371	661,957	0.14
^gHousewares & Specialties				
Astro One Acquisition Corp., First Lien, Term Loan, B, 10.23%, (3-month USD LIBOR + 5.5%), 9/15/28.	United States	2,574,000	1,724,580	0.36
Hunter Douglas Holding BV, CME Term Loan, B1, 7.859%, (3-month SOFR + 3.5%), 2/26/29.	Netherlands	796,000	734,063	0.16
			2,458,643	0.52
^gHuman Resource & Employment Services				
CCRR Parent, Inc., First Lien, Initial Term Loan, 8.32%, (1-month USD LIBOR + 3.25%), 3/06/28.	United States	2,377,062	2,311,692	0.48
CHG Healthcare Services, Inc., First Lien, Initial Term Loan, 7.634%, (1-month USD LIBOR + 3.25%), 9/29/28.	United States	2,234,765	2,223,457	0.47
			4,535,149	0.95
^gIndustrial Machinery				
Tiger Acquisition LLC, First Lien, Initial Term Loan, 7.82%, (1-month USD LIBOR + 3.25%), 6/01/28.	United States	2,038,688	1,985,336	0.42
TK Elevator Midco GmbH, USD Term Loan, B1, 6.871%, (6-month USD LIBOR + 3.5%), 7/30/27.	Germany	1,608,611	1,582,696	0.33
			3,568,032	0.75
^gInsurance Brokers				
Alliant Holdings Intermediate LLC, 2018 Initial Term Loan, 7.82%, (1-month USD LIBOR + 3.25%), 5/09/25	United States	2,103,909	2,104,782	0.44
New Term Loan, B4, 8.008%, (1-month USD LIBOR + 3.5%), 11/05/27.	United States	1,690,120	1,690,120	0.36
AssuredPartners, Inc., 2020 CME Term Loan, 8.061%, (1-month SOFR + 3.5%), 2/12/27	United States	1,290,250	1,277,954	0.27
2020 February Refinancing Term Loan, 8.07%, (1-month USD LIBOR + 3.5%), 2/12/27	United States	2,984,570	2,957,828	0.62
2021 Term Loan, 8.07%, (1-month USD LIBOR + 3.5%), 2/12/27	United States	610,883	604,927	0.13
2022-2 CME Term Loan, 8.811%, (1-month SOFR + 4.25%), 2/12/27	United States	315,000	315,590	0.06

Franklin Floating Rate Master Series (continued)

	Country	Principal Amount*	Value	% of Net Assets
^fSenior Floating Rate Interests (continued)				
^gInsurance Brokers (continued)				
HUB International Ltd., 2022 Incremental CME Term Loan, 8.22%, (3-month SOFR + 4%), 11/10/29.....	United States	362,069	\$362,351	0.08
			9,313,552	1.96
Integrated Telecommunication Services				
^g Global Tel*Link Corp.,				
First Lien, CME Term Loan, 9.076%, (3-month SOFR + 4.25%), 11/29/25	United States	4,486,281	3,947,209	0.83
Second Lien, CME Term Loan, 14.826%, (3-month SOFR + 10%), 11/29/26	United States	2,479,737	1,889,560	0.40
			5,836,769	1.23
Interactive Home Entertainment				
^g Playtika Holding Corp., Term Loan, B1, 7.32%, (1-month USD LIBOR + 2.75%), 3/13/28				
	United States	1,736,742	1,724,307	0.36
Internet & Direct Marketing Retail				
^g MH Sub I LLC (Micro Holding Corp.),				
First Lien, 2020 June New Term Loan, 8.32%, (1-month USD LIBOR + 3.75%), 9/13/24	United States	1,165,825	1,155,624	0.24
First Lien, Amendment No. 2 Initial Term Loan, 8.32%, (1-month USD LIBOR + 3.75%), 9/13/24	United States	1,203,343	1,192,157	0.25
			2,347,781	0.49
^gInternet Services & Infrastructure				
Arches Buyer, Inc., Refinancing Term Loan, 7.82%, (1-month USD LIBOR + 3.25%), 12/06/27	United States	983,935	953,600	0.20
Barracuda Parent LLC, First Lien, Initial CME Term Loan, 9.176%, (3-month SOFR + 4.5%), 8/15/29	United States	2,063,966	2,002,791	0.42
Go Daddy Operating Co. LLC (GD Finance Co., Inc.), Amendment No. 6 CME Term Loan, 7.811%, (1-month SOFR + 3.25%), 11/09/29	United States	269,841	271,192	0.06
Hunter Holdco 3 Ltd., First Lien, Initial Dollar Term Loan, 8.98%, (3-month USD LIBOR + 4.25%), 8/19/28	United Kingdom	1,872,334	1,860,632	0.39
Thrasio LLC, Initial Term Loan, 11.17%, (3-month USD LIBOR + 7%), 12/18/26	United States	886,432	775,628	0.16
			5,863,843	1.23
^gInvestment Banking & Brokerage				
Citadel Securities LP,				
2021 CME Term Loan, 7.176%, (1-month SOFR + 2.5%), 2/02/28	United States	1,773,462	1,771,405	0.37
CME Term Loan, B 1, 7.676%, (1-month SOFR + 3%), 2/02/28	United States	478,800	480,598	0.10
Deerfield Dakota Holding LLC, First Lien, Initial Dollar CME Term Loan, 8.311%, (1-month SOFR + 3.75%), 4/09/27	United States	983,404	953,725	0.20
Jane Street Group LLC, Dollar Term Loan, 7.32%, (1-month USD LIBOR + 2.75%), 1/26/28	United States	1,322,987	1,320,612	0.28
Osmosis Buyer Ltd.,				
2022 Incremental CME Term Loan, B, 7.902%, (1-month SOFR + 3.75%), 7/31/28	United Kingdom	1,218,990	1,195,878	0.25
2022 Refinancing CME Term Loan, B, 8.147%, (1-month SOFR + 3.75%), 7/31/28	United Kingdom	1,114,575	1,090,656	0.23
			6,812,874	1.43

Franklin Floating Rate Master Series (continued)

	Country	Principal Amount*	Value	% of Net Assets
^fSenior Floating Rate Interests (continued)				
^gIT Consulting & Other Services				
Aptean Acquiror, Inc., First Lien, Initial Term Loan, 8.985%, (3-month USD LIBOR + 4.25%), 4/23/26.	United States	1,294,115	\$1,241,076	0.26
Aventiv Technologies LLC, First Lien, Initial Term Loan, 9.23%, (3-month USD LIBOR + 4.5%), 11/01/24.	United States	4,363,892	3,089,439	0.65
Second Lien, Initial Term Loan, 13.075%, (3-month USD LIBOR + 8.25%), 11/01/25.	United States	125,000	70,000	0.01
Gainwell Acquisition Corp., First Lien, Term Loan, B, 8.73%, (3-month USD LIBOR + 4%), 10/01/27.	United States	4,235,392	4,144,331	0.87
Peraton Corp., First Lien, Term Loan, B, 8.32%, (1-month USD LIBOR + 3.75%), 2/01/28.	United States	4,719,433	4,702,915	0.99
Sitel Worldwide Corp., Initial Dollar Term Loan, 8.32%, (1-month USD LIBOR + 3.75%), 8/28/28.	France	1,504,126	1,506,322	0.32
			14,754,083	3.10
Leisure Facilities				
^{e,g} 24 Hour Fitness Worldwide, Inc., Tranche 1 Term Loan, 9.726%, PIK, (3-month USD LIBOR + 5%), 12/29/25.	United States	8,211,649	669,477	0.14
^gLeisure Products				
Hercules Achievement, Inc. (Varsity Brands Holding Co., Inc.), First Lien, Initial Term Loan, 8.07%, (1-month USD LIBOR + 3.5%), 12/16/24.	United States	818,108	814,018	0.17
Motion Acquisition Ltd., Term Loan, B1, 7.98%, (3-month USD LIBOR + 3.25%), 11/12/26.	United Kingdom	1,716,706	1,695,428	0.36
Term Loan, B2, 7.98%, (3-month USD LIBOR + 3.25%), 11/12/26.	United Kingdom	244,737	241,703	0.05
			2,751,149	0.58
Life Sciences Tools & Services				
^g ICON plc, Term Loan, 7%, (3-month USD LIBOR + 2.25%), 7/03/28.	United States	1,725,463	1,727,628	0.36
U.S. Term Loan, 7%, (3-month USD LIBOR + 2.25%), 7/03/28.	United States	429,900	430,440	0.09
			2,158,068	0.45
Metal & Glass Containers				
Mauser Packaging Solutions Holding Co., ^g Initial Term Loan, 7.619%, (1-month USD LIBOR + 3.25%), 4/03/24.	United States	1,487,027	1,476,574	0.31
^{h,i} Term Loan, B, TBD, 1/01/30.	United States	3,000,000	2,977,500	0.63
			4,454,074	0.94
^gMovies & Entertainment				
AMC Entertainment Holdings, Inc., Term Loan, B1, 7.43%, (1-month USD LIBOR + 3%), 4/22/26.	United States	638,393	379,729	0.08
Banjay Entertainment SAS, USD Term Loan, B, 8.119%, (1-month USD LIBOR + 3.75%), 3/01/25.	France	694,530	694,641	0.15
William Morris Endeavor Entertainment LLC (IMG Worldwide Holdings LLC), First Lien, Term Loan, B1, 7.262%, (1-month USD LIBOR + 2.75%), 5/18/25.	United States	565,069	562,852	0.12
			1,637,222	0.35

Franklin Floating Rate Master Series (continued)

	Country	Principal Amount*	Value	% of Net Assets
^fSenior Floating Rate Interests (continued)				
Multi-line Insurance				
⁹ Acrisure LLC,				
First Lien, 2020 Term Loan, 8.07%, (1-month USD LIBOR + 3.5%), 2/15/27	United States	2,162,329	\$2,090,032	0.44
First Lien, 2021-1 Additional Term Loan, 8.32%, (1-month USD LIBOR + 3.75%), 2/15/27	United States	772,826	747,953	0.16
First Lien, 2021-2 Additional Term Loan, 8.82%, (1-month USD LIBOR + 4.25%), 2/15/27	United States	761,538	743,452	0.15
			<u>3,581,437</u>	<u>0.75</u>
Office Services & Supplies				
⁹ Pitney Bowes, Inc., Refinancing CME Term Loan, B, 8.676%, (1-month SOFR + 4%), 3/17/28	United States	4,530,637	4,384,796	0.92
Other Diversified Financial Services				
⁹ Mercury Borrower, Inc., First Lien, Initial Term Loan, 8.25%, (3-month USD LIBOR + 3.5%), 8/02/28	United States	2,222,766	2,158,861	0.45
⁹Packaged Foods & Meats				
B&G Foods, Inc., Tranche Term Loan, B4, 6.884%, (1-month USD LIBOR + 2.5%), 10/10/26	United States	534,809	516,257	0.11
Primary Products Finance LLC, CME Term Loan, B, 8.743%, (3-month SOFR + 4%), 4/01/29	United States	686,207	682,285	0.14
			<u>1,198,542</u>	<u>0.25</u>
⁹Paper Packaging				
Charter Next Generation, Inc., First Lien, 2021 Initial Term Loan, 8.32%, (1-month USD LIBOR + 3.75%), 12/01/27	United States	1,910,231	1,902,208	0.40
Kleopatra Finco SARL, USD CME Term Loan, B, 8.259%, (6-month SOFR + 4.75%), 2/12/26	Luxembourg	1,723,803	1,542,803	0.32
Pactiv Evergreen, Inc., U.S. Term Loan, B3, 7.82%, (1-month USD LIBOR + 3.25%), 9/24/28	United States	575,940	574,428	0.12
			<u>4,019,439</u>	<u>0.84</u>
⁹Personal Products				
Conair Holdings LLC, First Lien, Initial Term Loan, 8.48%, (3-month USD LIBOR + 3.75%), 5/17/28	United States	3,026,859	2,620,397	0.55
Coty, Inc., USD Term Loan, B, 6.645%, (1-month USD LIBOR + 2.25%), 4/07/25	United States	799,879	799,379	0.17
Sunshine Luxembourg VII SARL, Term Loan, B3, 8.48%, (3-month USD LIBOR + 3.75%), 10/01/26	Luxembourg	4,423,342	4,342,616	0.91
			<u>7,762,392</u>	<u>1.63</u>
⁹Pharmaceuticals				
Bausch Health Cos., Inc., Second Amendment CME Term Loan, 9.828%, (1-month SOFR + 5.25%), 2/01/27	United States	631,358	488,624	0.10
Grifols Worldwide Operations Ltd., Dollar Tranche Term Loan, B, 6.57%, (1-month USD LIBOR + 2%), 11/15/27	Spain	800,000	786,944	0.17
Jazz Pharmaceuticals plc, Initial Dollar Term Loan, 8.07%, (1-month USD LIBOR + 3.5%), 5/05/28	United States	3,019,340	3,019,808	0.64
Organon & Co., Dollar Term Loan, 7.75%, (3-month USD LIBOR + 3%), 6/02/28	United States	2,062,923	2,063,563	0.43
Perrigo Co. plc, Initial CME Term Loan, B, 7.161%, (1-month SOFR + 2.5%), 4/20/29	United States	1,223,975	1,228,565	0.26
PetVet Care Centers LLC, First Lien, 2021 First Lien Replacement Term Loan, 8.07%, (1-month USD LIBOR + 3.5%), 2/14/25	United States	1,958,627	1,864,124	0.39
			<u>9,451,628</u>	<u>1.99</u>

Franklin Floating Rate Master Series (continued)

	Country	Principal Amount*	Value	% of Net Assets
^fSenior Floating Rate Interests (continued)				
Property & Casualty Insurance				
^g Asurion LLC,				
ⁱ New CME Term Loan, B 10, 8.68%, (3-month SOFR +4%), 8/19/28	United States	900,000	\$854,649	0.18
New Term Loan, B8, 7.82%, (1-month USD LIBOR +3.25%), 12/23/26	United States	984,294	943,850	0.20
Second Lien, New Term Loan, B3, 9.82%, (1-month USD LIBOR + 5.25%), 1/31/28	United States	2,652,263	2,225,912	0.47
Second Lien, New Term Loan, B4, 9.82%, (1-month USD LIBOR + 5.25%), 1/20/29	United States	2,248,036	1,891,171	0.39
			5,915,582	1.24
^gPublishing				
Cengage Learning, Inc., First Lien, Term Loan, B, 9.88%, (3-month USD LIBOR + 4.75%), 7/14/26	United States	4,239,433	4,052,898	0.85
McGraw-Hill Education, Inc., Initial Term Loan, 8.316%, (3-month USD LIBOR + 4.75%), 7/28/28	United States	2,277,560	2,184,749	0.46
			6,237,647	1.31
Real Estate Services				
^g Cushman & Wakefield US Borrower LLC, Replacement Term Loan, 7.134%, (1-month USD LIBOR + 2.75%), 8/21/25	United States	1,031,439	1,028,954	0.22
Research & Consulting Services				
^g Dun & Bradstreet Corp. (The), Initial Term Loan, 7.767%, (1-month USD LIBOR + 3.25%), 2/06/26	United States	1,812,789	1,811,983	0.38
^gRestaurants				
Flynn Restaurant Group LP, First Lien, 2021 Term Loan, 8.82%, (1-month USD LIBOR + 4.25%), 11/22/28	United States	2,045,812	1,998,288	0.42
IRB Holding Corp., 2022 Replacement CME Term Loan, B, 7.687%, (3-month SOFR + 3%), 12/15/27	United States	1,424,680	1,412,976	0.30
Whatabrands LLC, Initial Term Loan, B, 7.82%, (1-month USD LIBOR + 3.25%), 8/03/28	United States	1,589,781	1,576,149	0.33
			4,987,413	1.05
^gSecurity & Alarm Services				
Allied Universal Holdco LLC, Initial U.S. Dollar CME Term Loan, 8.411%, (1-month SOFR + 3.75%), 5/12/28	United States	1,485,816	1,434,169	0.30
APX Group, Inc., Initial Term Loan, 7.705%, (1-month USD LIBOR + 3.25%; 3-month USD LIBOR + 2.25%), 7/10/28	United States	1,211,988	1,202,753	0.25
Prime Security Services Borrower LLC, First Lien, 2021 Refinancing Term Loan, B1, 7.517%, (3-month USD LIBOR + 2.75%), 9/23/26	United States	2,815,607	2,817,367	0.59
			5,454,289	1.14
Semiconductor Equipment				
^g MKS Instruments, Inc., Initial Dollar CME Term Loan, B, 7.362%, (1-month SOFR + 2.75%), 8/17/29	United States	498,750	498,972	0.10
^gSoft Drinks				
Naked Juice LLC, First Lien, Initial CME Term Loan, 7.93%, (3-month SOFR + 3.25%), 1/24/29	United States	723,200	668,378	0.14
Triton Water Holdings, Inc., First Lien, Initial Term Loan, 8.23%, (3-month USD LIBOR + 3.5%), 3/31/28	United States	1,126,872	1,075,606	0.23
			1,743,984	0.37

Franklin Floating Rate Master Series (continued)

	Country	Principal Amount*	Value	% of Net Assets
^fSenior Floating Rate Interests (continued)				
^gSpecialized Consumer Services				
Pre-Paid Legal Services, Inc., First Lien, Initial Term Loan, 8.32%, (1-month USD LIBOR + 3.75%), 12/15/28	United States	571,119	\$562,766	0.12
Sedgwick Claims Management Services, Inc. (Lightning Cayman Merger Sub Ltd.), 2019 Term Loan, 8.32%, (1-month USD LIBOR + 3.75%), 9/03/26	United States	1,723,751	1,724,828	0.36
Initial Term Loan, 7.82%, (1-month USD LIBOR + 3.25%), 12/31/25	United States	781,939	779,550	0.17
WW International, Inc., Initial Term Loan, 8.07%, (1-month USD LIBOR + 3.5%), 4/13/28	United States	760,362	456,848	0.10
			3,523,992	0.75
^gSpecialized Finance				
Red Planet Borrower LLC, Initial Term Loan, 8.32%, (1-month USD LIBOR + 3.75%), 10/02/28	United States	1,409,151	937,593	0.20
Verscend Holding Corp., Term Loan, B1, 8.57%, (1-month USD LIBOR + 4%), 8/27/25	United States	4,535,782	4,536,984	0.95
			5,474,577	1.15
^gSpecialty Chemicals				
ASP Unifrax Holdings, Inc., First Lien, USD Term Loan, 8.48%, (3-month USD LIBOR + 3.75%), 12/12/25	United States	1,659,422	1,507,137	0.32
CPC Acquisition Corp., First Lien, Initial Term Loan, 8.48%, (3-month USD LIBOR + 3.75%), 12/29/27	United States	1,168,394	966,846	0.20
Hexion Holdings Corp., First Lien, Initial CME Term Loan, 8.934%, (3-month SOFR + 4.5%), 3/15/29	United States	2,587,000	2,344,469	0.49
Second Lien, Initial CME Term Loan, 12.049%, (1-month SOFR + 7.438%), 3/15/30	United States	837,209	699,070	0.15
INEOS Styrolution Group GmbH, 2026 Dollar Term Loan, B, 7.32%, (1-month USD LIBOR + 2.75%), 1/29/26	United Kingdom	3,239,943	3,239,133	0.68
PMHC II, Inc., Initial CME Term Loan, B, 9.076%, (3-month SOFR + 4.25%), 4/23/29	United States	4,937,625	4,346,270	0.91
Sparta U.S. Holdco LLC, First Lien, Initial Term Loan, 7.369%, (1-month USD LIBOR + 3%), 8/02/28	United States	1,014	1,013	0.00 [†]
			13,103,938	2.75
^gSpecialty Stores				
Great Outdoors Group LLC, Term Loan, B2, 8.32%, (1-month USD LIBOR + 3.75%), 3/06/28	United States	1,421,375	1,401,476	0.29
Michaels Cos., Inc. (The), Term Loan, B, 8.98%, (3-month USD LIBOR + 4.25%), 4/15/28	United States	1,478,831	1,364,688	0.29
Petco Health & Wellness Co., Inc., First Lien, Initial CME Term Loan, 8.092%, (3-month SOFR + 3.25%), 3/03/28	United States	2,080,341	2,062,253	0.43
PetSmart LLC, Initial CME Term Loan, 8.411%, (1-month SOFR + 3.75%), 2/11/28	United States	2,481,305	2,467,869	0.52
Staples, Inc., 2019 Refinancing New Term Loan, B1, 7.782%, (3-month USD LIBOR + 5%), 4/16/26	United States	1,113,121	1,044,575	0.22
Woof Holdings, Inc., First Lien, Initial Term Loan, 8.258%, (1-month USD LIBOR + 3.75%), 12/21/27	United States	2,428,944	2,319,641	0.49
			10,660,502	2.24
^gSystems Software				
Atlas Purchaser, Inc., First Lien, Initial Term Loan, 8.676%, (3-month USD LIBOR + 5.25%), 5/08/28	United States	632,528	475,977	0.10
DCert Buyer, Inc., First Lien, Initial CME Term Loan, 8.696%, (6-month SOFR + 4%), 10/16/26	United States	4,345,127	4,301,350	0.90

Franklin Floating Rate Master Series (continued)

	Country	Principal Amount*	Value	% of Net Assets
^fSenior Floating Rate Interests (continued)				
^gSystems Software (continued)				
DCert Buyer, Inc. (continued)				
Second Lien, First Amendment Refinancing Term Loan, 11.696%, (6-month USD LIBOR + 7%), 2/19/29	United States	2,050,664	\$1,888,743	0.40
Hyland Software, Inc.,				
First Lien, 2018 Refinancing Term Loan, 8.07%, (1-month USD LIBOR + 3.5%), 7/01/24	United States	3,115,761	3,112,754	0.65
Second Lien, 2021 Refinancing Term Loan, 10.82%, (1-month USD LIBOR + 6.25%), 7/07/25	United States	980,303	936,537	0.20
Idera, Inc., First Lien, Term Loan, B1, 8.51%, (3-month USD LIBOR + 3.75%), 3/02/28	United States	1,388,754	1,346,223	0.28
Ivanti Software, Inc.,				
First Lien, 2021 Specified Refinancing Term Loan, 9.011%, (3-month USD LIBOR + 4.25%), 12/01/27	United States	2,570,575	2,138,937	0.45
First Lien, First Amendment Term Loan, 8.733%, (3-month USD LIBOR + 4%), 12/01/27	United States	92,629	76,824	0.02
McAfee Corp., CME Term Loan, B1, 8.184%, (1-month SOFR + 3.75%), 3/01/29	United States	2,753,101	2,605,562	0.55
Quest Software US Holdings, Inc., First Lien, Initial CME Term Loan, 9.076%, (3-month SOFR + 4.25%), 2/01/29	United States	1,791,000	1,543,457	0.32
Sovos Compliance LLC, First Lien, Initial Term Loan, 9.07%, (1-month USD LIBOR + 4.5%), 8/11/28	United States	820,694	793,874	0.17
Vision Solutions, Inc. (Precisely Software, Inc.), First Lien, Third Amendment Term Loan, 8.818%, (3-month USD LIBOR + 4%), 4/24/28	United States	860,185	758,253	0.16
			19,978,491	4.20
Technology Hardware, Storage & Peripherals				
^g Magenta Buyer LLC, First Lien, Initial Term Loan, 9.58%, (3-month USD LIBOR + 4.75%), 7/27/28	United States	3,682,692	3,242,076	0.68
^gTrucking				
Avis Budget Car Rental LLC,				
CME Term Loan, C, 8.161%, (1-month SOFR + 3.5%), 3/16/29	United States	1,389,500	1,390,660	0.29
New Term Loan, B, 6.32%, (1-month USD LIBOR + 1.75%), 8/06/27	United States	883,300	873,474	0.19
PECF USS Intermediate Holding III Corp., Initial Term Loan, 8.82%, (1-month USD LIBOR + 4.25%), 12/15/28	United States	2,120,394	1,822,616	0.38
			4,086,750	0.86
Total Senior Floating Rate Interests (Cost \$405,402,148)			383,338,417	80.57
Escrows and Litigation Trusts				
Shares/Units				
^{a,b} Millennium Corporate Claim Trust, Escrow Account	United States	6,589,709	—	0.00
^{a,b} Millennium Lender Claim Trust, Escrow Account	United States	6,589,709	—	0.00
Total Escrows and Litigation Trusts (Cost \$—)			—	0.00
Total Long Term Investments (Cost \$485,932,697)			456,628,633	95.98

Franklin Floating Rate Master Series (continued)

Short Term Investments

	Principal Amount*	Value	% of Net Assets
Repurchase Agreements			
^j Joint Repurchase Agreement, 4.211%, 2/01/23 (Maturity Value \$8,774,844)			
BNP Paribas Securities Corp. (Maturity Value \$3,225,194)			
Deutsche Bank Securities, Inc. (Maturity Value \$389,340)			
HSBC Securities (USA), Inc. (Maturity Value \$5,160,310)			
Collateralized by U.S. Government and Agency Securities, 2.5% - 4.5%, 6/15/24 - 1/20/52; U.S. Government Agency Strips, 8/15/33 - 5/15/46; U.S. Treasury Bonds, Index Linked, 2%, 1/15/26; and U.S. Treasury Notes, 0.13% - 2.25%, 5/15/23 - 8/15/27 (valued at \$8,961,455)	8,773,817	\$8,773,817	1.84
Total Repurchase Agreements (Cost \$8,773,817)		8,773,817	1.84
Total Short Term Investments (Cost \$8,773,817)		8,773,817	1.84
Total Investments (Cost \$494,706,514)		\$465,402,450	97.82
Other Assets, less Liabilities		10,353,004	2.18
Net Assets		\$475,755,454	100.00

See Abbreviations on page 30.

* The principal amount is stated in U.S. dollars unless otherwise indicated.

[†] Rounds to less than 0.1% of net assets.

^a Non-income producing.

^b Fair valued using significant unobservable inputs. See Note 13 regarding fair value measurements.

^c See Note 3(d) regarding investments in affiliated management investment companies.

^d Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At January 31, 2023, the aggregate value of these securities was \$21,118,876, representing 4.4% of net assets.

^e Income may be received in additional securities and/or cash.

^f See Note 1(d) regarding senior floating rate interests.

^g The coupon rate shown represents the rate inclusive of any caps or floors, if applicable, in effect at period end.

^h A portion or all of the security represents an unsettled loan commitment. The coupon rate is to-be determined (TBD) at the time of the settlement and will be based upon a reference index/floor plus a spread.

ⁱ A portion or all of the security purchased on a delayed delivery basis. See Note 1(c).

^j See Note 1(b) regarding joint repurchase agreement.

Statement of Assets and Liabilities

January 31, 2023 (unaudited)

	Franklin Floating Rate Master Series
Assets:	
Investments in securities:	
Cost - Unaffiliated issuers	\$471,542,365
Cost - Non-controlled affiliates (Note 3d)	14,390,332
Cost - Unaffiliated repurchase agreements	8,773,817
Value - Unaffiliated issuers	\$443,626,481
Value - Non-controlled affiliates (Note 3d)	13,002,152
Value - Unaffiliated repurchase agreements	8,773,817
Cash	2,636,794
Receivables:	
Investment securities sold.	15,752,392
Dividends and interest	2,596,180
Total assets	486,387,816
Liabilities:	
Payables:	
Investment securities purchased	6,662,465
Management fees	207,083
Trustees' fees and expenses	1,109
Distributions to shareholders	3,499,103
Unrealized depreciation on unfunded loan commitments (Note 12).	135,039
Accrued expenses and other liabilities	127,563
Total liabilities	10,632,362
Net assets, at value	\$475,755,454
Net assets consist of:	
Paid-in capital	\$894,702,835
Total distributable earnings (losses)	(418,947,381)
Net assets, at value	\$475,755,454
Shares outstanding	67,970,125
Net asset value and maximum offering price per share (\$475,755,454÷67,970,125 shares outstanding)	\$7.00

Statement of Operations

for the six months ended January 31, 2023 (unaudited)

	Franklin Floating Rate Master Series
Investment income:	
Dividends: (net of foreign taxes of \$21,452)	
Unaffiliated issuers	\$772,802
Non-controlled affiliates (Note 3d)	512,013
Interest:	
Unaffiliated issuers	20,784,907
Total investment income	22,069,722
Expenses:	
Management fees (Note 3a)	1,477,656
Custodian fees (Note 4)	190
Reports to shareholders fees	452
Professional fees	81,059
Trustees' fees and expenses	4,304
Other	14,024
Total expenses	1,577,685
Expenses waived/paid by affiliates (Note 3d and 3e)	(100,023)
Net expenses	1,477,662
Net investment income	20,592,060
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers	(21,671,200)
Non-controlled affiliates (Note 3d)	(321,101)
Net realized gain (loss)	(21,992,301)
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	21,668,275
Non-controlled affiliates (Note 3d)	465,421
Unfunded loan commitments	62,305
Net change in unrealized appreciation (depreciation)	22,196,001
Net realized and unrealized gain (loss)	203,700
Net increase (decrease) in net assets resulting from operations	\$20,795,760

Statements of Changes in Net Assets

	Franklin Floating Rate Master Series	
	Six Months Ended January 31, 2023 (unaudited)	Year Ended July 31, 2022
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$20,592,060	\$22,843,645
Net realized gain (loss)	(21,992,301)	(4,946,490)
Net change in unrealized appreciation (depreciation)	22,196,001	(29,588,121)
Net increase (decrease) in net assets resulting from operations	20,795,760	(11,690,966)
Distributions to shareholders	(22,057,256)	(26,268,504)
Capital share transactions (Note 2)	(139,590,485)	224,438,230
Net increase (decrease) in net assets	(140,851,981)	186,478,760
Net assets:		
Beginning of period	616,607,435	430,128,675
End of period	\$475,755,454	\$616,607,435

Notes to Financial Statements (unaudited)

Franklin Floating Rate Master Series

1. Organization and Significant Accounting Policies

Franklin Floating Rate Master Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of two separate funds. The Fund follows the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, Financial Services – Investment Companies (ASC 946) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. Franklin Floating Rate Master Series (Fund) is included in this report. The Fund's shares are exempt from registration under the Securities Act of 1933.

The following summarizes the Fund's significant accounting policies.

a. Financial Instrument Valuation

The Fund's investments in financial instruments are carried at fair value daily. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Fund calculates the net asset value (NAV) per share each business day as of 4 p.m. Eastern time or the regularly scheduled close of the New York Stock Exchange (NYSE), whichever is earlier. Under compliance policies and procedures approved by the Trust's Board of Trustees (the Board), the Board has designated the Fund's investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the Fund's administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The Fund may utilize independent pricing services, quotations from securities and financial instrument dealers, and other market sources to determine fair value.

Equity securities and exchange traded funds listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Foreign equity securities are valued as of the close of trading on the foreign stock exchange on which the security is primarily traded, or as of 4 p.m. Eastern time. The value is then converted into its U.S. dollar equivalent at the foreign exchange rate in effect at 4 p.m. Eastern time on the day that the value of the security is determined. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

Debt securities generally trade in the OTC market rather than on a securities exchange. The Fund's pricing services use multiple valuation techniques to determine fair value. In instances where sufficient market activity exists, the pricing services may utilize a market-based approach through which quotes from market makers are used to determine fair value. In instances where sufficient market activity may not exist or is limited, the pricing services also utilize proprietary valuation models which may consider market characteristics such as benchmark yield curves, credit spreads, estimated default rates, anticipated market interest rate volatility, coupon rates, anticipated timing of principal repayments, underlying collateral, and other unique security features in order to estimate the relevant cash flows, which are then discounted to calculate the fair value.

Investments in open-end mutual funds are valued at the closing NAV. Investments in repurchase agreements are valued at cost, which approximates fair value.

The Fund has procedures to determine the fair value of financial instruments for which market prices are not reliable or readily available. Under these procedures, the Fund primarily employs a market-based approach which may use related or comparable assets or liabilities, recent transactions, market multiples, and other relevant information for the investment to determine the fair value of the investment. An income-based valuation approach may also be used in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Franklin Floating Rate Master Series (continued)

1. Organization and Significant Accounting Policies (continued)

b. Joint Repurchase Agreement

The Fund enters into a joint repurchase agreement whereby its uninvested cash balance is deposited into a joint cash account with other funds managed by the investment manager or an affiliate of the investment manager and is used to invest in one or more repurchase agreements. The value and face amount of the joint repurchase agreement are allocated to the funds based on their pro-rata interest. A repurchase agreement is accounted for as a loan by the Fund to the seller, collateralized by securities which are delivered to the Fund's custodian. The fair value, including accrued interest, of the initial collateralization is required to be at least 102% of the dollar amount invested by the funds, with the value of the underlying securities marked to market daily to maintain coverage of at least 100%. Repurchase agreements are subject to the terms of Master Repurchase Agreements (MRAs) with approved counterparties (sellers). The MRAs contain various provisions, including but not limited to events of default and maintenance of collateral for repurchase agreements. In the event of default by either the seller or the Fund, certain MRAs may permit the non-defaulting party to net and close-out all transactions, if any, traded under such agreements. The Fund may sell securities it holds as collateral and apply the proceeds towards the repurchase price and any other amounts owed by the seller to the Fund in the event of default by the seller. This could involve costs or delays in addition to a loss on the securities if their value falls below the repurchase price owed by the seller. The joint repurchase agreement held by the Fund at period end, as indicated in the Schedule of Investments, had been entered into on January 31, 2023.

c. Securities Purchased on a Delayed Delivery Basis

The Fund purchases securities on a delayed delivery basis, with payment and delivery scheduled for a future date. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Fund will generally purchase these securities with the intention of holding the securities, it may sell the securities before the settlement date.

d. Senior Floating Rate Interests

The Fund invests in senior secured corporate loans that pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. These base lending rates are generally the prime rate offered by a designated U.S. bank or the London InterBank Offered Rate (LIBOR). Senior secured corporate loans often require prepayment of principal from excess cash flows or at the discretion of the borrower. As a result, actual maturity may be substantially less than the stated maturity. Senior secured corporate loans in which the Fund invests are generally readily marketable, but may be subject to certain restrictions on resale.

e. Income Taxes

The Fund is a disregarded entity for U.S. income tax purposes. As such, no provision has been made for income taxes because all income, expenses, gains and losses are allocated to a non-U.S. beneficial owner for inclusion in its individual income tax return, as applicable.

f. Security Transactions, Investment Income, Expenses and Distributions

Security transactions are accounted for on trade date. Realized gains and losses on security transactions are determined on a specific identification basis. Interest income and estimated expenses are accrued daily. Amortization of premium and accretion of discount on debt securities are included in interest income. Facility fees are recognized as income over the expected term of the loan. Dividend income is recorded on the ex-dividend date except for certain dividends from securities where the dividend rate is not available. In such cases, the dividend is recorded as soon as the information is received by the Fund. The Fund's gross investment income is distributed to the owner daily and paid monthly. Net capital gains (or losses) realized by the Fund will not be distributed. Distributable earnings are determined according to income tax regulations (tax basis) and may differ from earnings recorded in accordance with U.S. GAAP. These differences may be permanent or temporary. Permanent differences are reclassified among capital accounts to reflect their tax character. These reclassifications have no impact on net assets or the results of operations. Temporary differences are not reclassified, as they may reverse in subsequent periods.

Franklin Floating Rate Master Series (continued)

1. Organization and Significant Accounting Policies (continued)

f. Security Transactions, Investment Income, Expenses and Distributions (continued)

Common expenses incurred by the Trust are allocated among the Funds based on the ratio of net assets of each Fund to the combined net assets of the Trust or based on the ratio of number of shareholders of each Fund to the combined number of shareholders of the Trust. Fund specific expenses are charged directly to the Fund that incurred the expense.

g. Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

h. Guarantees and Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust, on behalf of the Fund, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

2. Shares of Beneficial Interest

At January 31, 2023, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Six Months Ended January 31, 2023		Year Ended July 31, 2022	
	Shares	Amount	Shares	Amount
Shares sold	1,764,519	\$12,261,737	44,481,719	\$328,383,729
Shares redeemed	(21,907,011)	(151,852,222)	(14,617,312)	(103,945,499)
Net increase (decrease)	(20,142,492)	\$(139,590,485)	29,864,407	\$224,438,230

3. Transactions with Affiliates

Franklin Resources, Inc. is the holding company for various subsidiaries that together are referred to as Franklin Templeton. Certain officers and trustees of the Trust are also officers and/or directors of the following subsidiaries:

Subsidiary	Affiliation
Franklin Advisers, Inc. (Advisers)	Investment manager
Franklin Templeton Services, LLC (FT Services)	Administrative manager
Franklin Templeton Investor Services, LLC (Investor Services)	Transfer agent

Franklin Floating Rate Master Series (continued)**3. Transactions with Affiliates** (continued)**a. Management Fees**

The Fund pays an investment management fee, calculated daily and paid monthly, to Advisers based on the average daily net assets of the Fund as follows:

Annualized Fee Rate	Net Assets
0.530%	Up to and including \$2.5 billion
0.450%	Over \$2.5 billion, up to and including \$6.5 billion
0.430%	Over \$6.5 billion, up to and including \$11.5 billion
0.400%	Over \$11.5 billion, up to and including \$16.5 billion
0.390%	Over \$16.5 billion, up to and including \$19 billion
0.380%	Over \$19 billion, up to and including \$21.5 billion
0.370%	In excess of \$21.5 billion

For the period ended January 31, 2023, the annualized gross effective investment management fee rate was 0.530% of the Fund's average daily net assets.

b. Administrative Fees

Under an agreement with Advisers, FT Services provides administrative services to the Fund. The fee is paid by Advisers based on the Fund's average daily net assets, and is not an additional expense of the Fund.

c. Transfer Agent Fees

Investor Services, under terms of an agreement, performs shareholder servicing for the Fund and is not paid by the Fund for the services.

d. Investments in Affiliated Management Investment Companies

The Fund invests in one or more affiliated management investment companies. As defined in the 1940 Act, an investment is deemed to be a "Controlled Affiliate" of a fund when a fund owns, either directly or indirectly, 25% or more of the affiliated fund's outstanding shares or has the power to exercise control over management or policies of such fund. The Fund does not invest for purposes of exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the affiliated management investment companies, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the period ended January 31, 2023, the Fund held investments in affiliated management investment companies as follows:

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
Franklin Floating Rate Master Series								
Non-Controlled Affiliates								
								Dividends
Franklin Floating Rate Income Fund . . .	\$3,541,365	\$—	\$—	\$—	\$50,790	\$3,592,155	461,717	\$140,700
Franklin Senior Loan ETF	13,667,837	—	(4,351,370)	(321,101)	414,631	9,409,997	393,148	371,313
Total Affiliated Securities	\$17,209,202	\$—	\$(4,351,370)	\$(321,101)	\$465,421	\$13,002,152		\$512,013

Franklin Floating Rate Master Series (continued)

e. Waiver and Expense Reimbursements

Advisers has voluntarily agreed in advance to waive or limit its fees and to assume as its own expense certain expenses otherwise payable by the Fund so that the expenses (excluding interest expense, acquired fund fees and expenses and certain non-routine expenses or costs, including those relating to litigation, indemnification, reorganizations, and liquidations) of the Fund do not exceed 0.53%, based on the average net assets of the Fund. Total expenses waived or paid are not subject to recapture subsequent to the Fund's fiscal year end. Advisers may discontinue this waiver at any time upon notice to the Board.

f. Other Affiliated Transactions

At January 31, 2023, Franklin Floating Rate Fund, PLC owned 100% of the Fund's outstanding shares. Investment activities of this shareholder could have a material impact on the Fund.

4. Expense Offset Arrangement

The Fund has entered into an arrangement with its custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the period ended January 31, 2023, there were no credits earned.

5. Income Taxes

At January 31, 2023, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments	\$495,648,660
Unrealized appreciation	\$5,466,144
Unrealized depreciation	(35,712,354)
Net unrealized appreciation (depreciation)	\$(30,246,210)

Differences between income and/or capital gains as determined on a book basis and a tax basis are primarily due to differing treatment of wash sales.

6. Investment Transactions

Purchases and sales of investments (excluding short term securities) for the period ended January 31, 2023, aggregated \$21,985,212 and \$154,446,131, respectively.

7. Credit Risk

At January 31, 2023, the Fund had 87.2% of its portfolio invested in high yield securities, senior secured floating rate loans, or other securities rated below investment grade and unrated securities. These securities may be more sensitive to economic conditions causing greater price volatility and are potentially subject to a greater risk of loss due to default than higher rated securities.

8. Geopolitical Risk

On February 24, 2022, Russia engaged in military actions in the sovereign territory of Ukraine. The current political and financial uncertainty surrounding Russia and Ukraine may increase market volatility and the economic risk of investing in securities in these countries and may also cause uncertainty for the global economy and broader financial markets. The ultimate fallout and long-term impact from these events are not known. The Fund will continue to assess the impact on valuations and liquidity and will take any potential actions needed in accordance with procedures approved by the Board.

Franklin Floating Rate Master Series (continued)**9. Novel Coronavirus Pandemic**

The global outbreak of the novel coronavirus disease, known as COVID-19, has caused adverse effects on many companies, sectors, nations, regions and the markets in general, and may continue for an unpredictable duration. The effects of this pandemic may materially impact the value and performance of the Fund, its ability to buy and sell fund investments at appropriate valuations and its ability to achieve its investment objectives.

10. Shareholder Distributions

For the period ended January 31, 2023, the Fund made the following distributions:

Payment Date	Amount Per Share
8/31/2022	\$0.038958
9/30/2022	0.044271
10/31/2022	0.044248
11/30/2022	0.047111
12/30/2022	0.055289
1/31/2023	0.049488
Total	<u>\$0.279365</u>

11. Credit Facility

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2.675 billion (Global Credit Facility) which matured on February 3, 2023. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests. Effective February 3, 2023, the Borrowers renewed the Global Credit Facility for a one-year term, maturing February 2, 2024, for a total of \$2.675 billion.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the period ended January 31, 2023, the Fund did not use the Global Credit Facility.

12. Unfunded Loan Commitments

The Fund enters into certain credit agreements, all or a portion of which may be unfunded. The Fund is obligated to fund these loan commitments at the borrowers' discretion. Unfunded loan commitments and funded portions of credit agreements are marked to market daily and any unrealized appreciation or depreciation is included in the Statement of Assets and Liabilities and the Statement of Operations. Funded portions of credit agreements are presented in the Schedule of Investments.

At January 31, 2023, unfunded commitments were as follows:

Borrower	Unfunded Commitment
Franklin Floating Rate Master Series	\$641,211
athenahealth Group, Inc.	900,000
Thrasio LLC	<u>\$1,541,211</u>

Franklin Floating Rate Master Series (continued)

13. Fair Value Measurements

The Fund follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Fund's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Fund's financial instruments and are summarized in the following fair value hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – other significant observable inputs (including quoted prices for similar financial instruments, interest rates, prepayment speed, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Fund's own assumptions in determining the fair value of financial instruments)

The input levels are not necessarily an indication of the risk or liquidity associated with financial instruments at that level.

A summary of inputs used as of January 31, 2023, in valuing the Fund's assets and liabilities carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Franklin Floating Rate Master Series				
Assets:				
Investments in Securities:				
Common Stocks:				
Industrial Machinery	\$—	\$7,945,476	\$—	\$7,945,476
Leisure Facilities	—	26,938	—	26,938
Oil & Gas Exploration & Production	—	15,537,282	—	15,537,282
Trucking	—	—	912,943	912,943
Management Investment Companies:				
Asset Management & Custody Banks	11,889,810	3,592,155	—	15,481,965
Preferred Stocks	—	3,695	—	3,695
Warrants	—	—	1,716	1,716
Corporate Bonds:				
Airlines	—	3,908,484	—	3,908,484
Broadcasting	—	390,178	—	390,178
Cable & Satellite	—	2,365,788	—	2,365,788
Casinos & Gaming	—	864,860	—	864,860
Communications Equipment	—	577,129	—	577,129
Construction Materials	—	702,369	—	702,369
Diversified Chemicals	—	969,425	—	969,425
Environmental & Facilities Services	—	803,781	—	803,781
Health Care Services	—	376,665	—	376,665
Independent Power Producers & Energy Traders	—	1,663,596	—	1,663,596
Integrated Telecommunication Services	—	1,634,752	—	1,634,752
Investment Banking & Brokerage	—	715,279	—	715,279
Metal & Glass Containers	—	1,736,334	—	1,736,334
Movies & Entertainment	—	483,120	—	483,120
Multi-line Insurance	—	440,334	—	440,334
Office Services & Supplies	—	304,894	—	304,894
Oil & Gas Equipment & Services	—	240,155	—	240,155
Oil & Gas Storage & Transportation	—	429,032	—	429,032
Paper Packaging	—	1,052,839	—	1,052,839
Specialized Consumer Services	—	640,797	—	640,797
Specialty Chemicals	—	553,568	—	553,568
Specialty Stores	—	281,381	—	281,381
Trucking	—	416,952	11,527,399	11,944,351
Wireless Telecommunication Services	—	301,090	—	301,090
Senior Floating Rate Interests	—	383,338,417	—	383,338,417
Escrows and Litigation Trusts	—	—	— ^a	—
Short Term Investments	—	8,773,817	—	8,773,817
Total Investments in Securities	\$11,889,810	\$441,070,582	\$12,442,058	\$465,402,450

Franklin Floating Rate Master Series (continued)

13. Fair Value Measurements (continued)

	Level 1	Level 2	Level 3	Total
Franklin Floating Rate Master Series (continued)				
Liabilities:				
Other Financial Instruments:				
Unfunded Loan Commitments	\$—	\$135,039	\$—	\$135,039
Total Other Financial Instruments	\$—	\$135,039	\$—	\$135,039

^a Includes financial instruments determined to have no value at January 31, 2023.

A reconciliation in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 assets and/or liabilities at the beginning and/or end of the period. At January 31, 2023, the reconciliation is as follows:

	Balance at Beginning of Period	Purchases	Sales ^a	Transfer Into Level 3	Transfer Out of Level 3	Net Accretion (Amortiza- tion)	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Period	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Period End
Franklin Floating Rate Master Series										
Assets:										
Investments in Securities:										
Common Stocks										
Trucking	\$— ^b	\$—	\$—	\$—	\$—	\$—	\$—	\$912,943	\$912,943	\$912,943
Warrants										
Industrial Machinery . . .	3,866	—	—	—	—	—	—	(2,150)	1,716	(2,150)
Corporate Bonds										
Trucking	9,656,220	—	—	—	—	559,657	—	1,311,522	11,527,399	1,311,522
Senior Floating Rate Interests										
Household Products . . .	1,118,494	—	(310,842)	—	—	—	(8,589,137)	7,781,485	—	—
Escrows and Litigation Trusts	— ^b	—	—	—	—	—	—	—	— ^b	—
Total Investments in Securities	\$10,778,580	\$—	\$(310,842)	\$—	\$—	\$559,657	\$(8,589,137)	\$10,003,800	\$12,442,058	2,222,315

^a Sales include all sales of securities, maturities, paydowns and securities tendered in corporate actions.

^b Includes financial instruments determined to have no value.

Significant unobservable valuation inputs for material Level 3 assets and/or liabilities and impact to fair value as a result of changes in unobservable valuation inputs as of January 31, 2023, are as follows:

Description	Fair Value at End of Period	Valuation Technique	Unobservable Inputs	Amount	Impact to Fair Value if Input Increases ^a
Assets:					
Investments in Securities:					
Corporate Bonds:					
Trucking	\$11,527,399	Discounted cash flow	Discount rate	16.6%	Decrease
			Recovery value	107.5%	Increase
All Other Investments	914,659 ^{b,c}				
Total	\$12,442,058				

Franklin Floating Rate Master Series (continued)

13. Fair Value Measurements (continued)

^a Represents the directional change in the fair value of the Level 3 financial instruments that would result from a significant and reasonable increase in the corresponding input. A significant and reasonable decrease in the input would have the opposite effect. Significant increases and decreases in these inputs in isolation could result in significantly higher or lower fair value measurements.

^b Includes fair value of immaterial assets and/or liabilities developed using various valuation techniques and unobservable inputs. May also include values derived using recent transactions, private transaction prices or non-public third-party pricing information which is unobservable.

^c Includes financial instruments determined to have no value at January 31, 2023.

14. New Accounting Pronouncements

In March 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting. In January 2021 and December 2022, the FASB issued ASU No. 2021-01 and ASU No. 2022-06, with further amendments to Topic 848. The amendments in the ASUs provide optional temporary accounting recognition and financial reporting relief from the effect of certain types of contract modifications due to the planned discontinuation of LIBOR and other interbank-offered based reference rates as of the end of 2021 for certain LIBOR settings and 2023 for the remainder. The ASUs are effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2024. Management has reviewed the requirements and believes the adoption of these ASUs will not have a material impact on the financial statements.

In June 2022, the FASB issued ASU No. 2022-03, Fair Value Measurement (Topic 820) – Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions. The amendments in the ASU clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, should not be considered in measuring fair value. The ASU is effective for interim and annual reporting periods beginning after December 15, 2023, with the option of early adoption. Management has reviewed the requirements and believes that the adoption of the ASU will not have a material impact on the financial statements.

15. Subsequent Events

The Fund has evaluated subsequent events through the issuance of the financial statements and determined that no events have occurred that require disclosure other than those already disclosed in the financial statements.

Abbreviations

Currency		Selected Portfolio	
USD	United States Dollar	CME	Chicago Mercantile Exchange
		ETF	Exchange-Traded Fund
		LIBOR	London Inter-Bank Offered Rate
		PIK	Payment-In-Kind
		SOFR	Secured Overnight Financing Rate
		TBD	To Be Determined

Shareholder Information

Proxy Voting Policies and Procedures

The Fund's investment manager has established Proxy Voting Policies and Procedures (Policies) that the Fund uses to determine how to vote proxies relating to portfolio securities. Shareholders may view the Fund's complete Policies online at franklintempleton.com. Alternatively, shareholders may request copies of the Policies free of charge by calling the Proxy Group collect at (954) 527-7678 or by sending a written request to: Franklin Templeton Companies, LLC, 300 S.E. 2nd Street, Fort Lauderdale, FL 33301, Attention: Proxy Group. Copies of the Fund's proxy voting records are also made available online at franklintempleton.com and posted on the U.S. Securities and Exchange Commission's website at sec.gov and reflect the most recent 12-month period ended June 30.

Quarterly Schedule of Investments

The Trust, on behalf of the Fund, files a complete schedule of investments with the U.S. Securities and Exchange Commission for the first and third quarters for each fiscal year as an exhibit to its report on Form N-PORT. Shareholders may view the filed Form N-PORT by visiting the Commission's website at sec.gov. The filed form may also be viewed and copied at the Commission's Public Reference Room in Washington, DC. Information regarding the operations of the Public Reference Room may be obtained by calling (800) SEC-0330.

