

FRANKLIN FLOATING RATE FUND PLC
ESTABLISHED IN IRELAND

SINGAPORE PROSPECTUS

5 April 2024

This Singapore Prospectus incorporates and is not valid without the attached Ireland prospectus dated 18 January 2024 for the Franklin Floating Rate Fund Plc (the “Ireland Prospectus”). The Franklin Floating Rate Fund Plc (the “Fund” or the “Company”) is an investment company with variable capital incorporated in Ireland and constituted outside Singapore. The Fund, being the offeror of its shares, has appointed Templeton Asset Management Ltd as its agent for service of process and as its Singapore representative (whose details appear in the directory of this Singapore Prospectus).

CONTENTS

Paragraph	Page
Important Information	2
Directory.....	7
1. The Fund	10
2. The Classes	10
3. Management And Administration.....	11
4. Other Parties.....	17
5. Investment Objective And Policy	18
6. Fees And Charges	25
7. Risk Factors.....	28
8. Subscription For Shares	32
9. Redemption Of Shares	38
10. Exchange Of Shares	40
11. Obtaining Price Information	41
12. Suspension Of Issue, Valuation And Redemption Of Shares	41
13. Performance Of The Fund.....	42
14. Soft Commissions	44
15. Conflicts Of Interest.....	45
16. Reports	45
17. Certain Singapore Tax Considerations.....	46
18. Queries And Complaints.....	46
19. Other Material Information	46
Appendix	52

IMPORTANT INFORMATION

The collective investment scheme offered in this Singapore Prospectus, *i.e.*, the Franklin Floating Rate Fund Plc (the “**Fund**” or the “**Company**”) is a recognised scheme under the Securities and Futures Act 2001 (the “**SFA**”). A copy of this Singapore Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Singapore Prospectus. The registration of this Singapore Prospectus by the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Fund.

The date of registration of this Singapore Prospectus with the Authority is 5 April 2024. This Singapore Prospectus shall be valid for a period of 12 months after the date of registration (*i.e.*, up to and including 4 April 2025) and shall expire on 5 April 2025.

This Singapore Prospectus relating to the Fund incorporates and is not valid without the Ireland Prospectus. Unless the context otherwise requires, terms defined in the Ireland Prospectus shall have the same meaning when used in this Singapore Prospectus except where specifically provided for in this Singapore Prospectus.

The Fund is an investment company with variable capital incorporated in Ireland on 1 December 1999 as a public limited company under registration number 316174. Separate classes of shares (“**Classes**” and each a “**Class**”) are issued in relation to the Fund.

The directors of the Fund (the “**Directors**”) have taken all reasonable care to ensure that the facts stated in this Singapore Prospectus are true and accurate in all material respects and that there are no other material facts the omission of which makes any statement of fact or opinion in this Singapore Prospectus misleading. The Directors accept responsibility accordingly.

The distribution of this Singapore Prospectus and the offering or purchase of the shares of the Fund (the “**Shares**”) is restricted in certain jurisdictions and to certain persons. No persons receiving a copy of this Singapore Prospectus or the accompanying application form in any such jurisdiction may treat this Singapore Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Singapore Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Singapore Prospectus and any persons wishing to apply for Shares pursuant to this Singapore Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The Shares are offered only on the basis of the information contained in this Singapore Prospectus.

Any further information or representation given or made by any dealer, broker or other person should be disregarded and accordingly, should not be relied upon. No person has been authorised to give any information or to make any representations, other than those contained in this Singapore Prospectus in connection with the offering and issue of Shares in the Fund and, if given or made such information or representations must not be relied upon as having been authorised by the Fund or the Directors or by the investment manager of the Fund. Neither the delivery of this Singapore Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Singapore Prospectus is correct as of any time subsequent to the date of this Singapore Prospectus. Statements made in the attached Ireland Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein. This Singapore Prospectus should be read in its entirety before making an application for Shares.

The Company is not registered in the United States of America under the Investment Company Act of 1940. The Shares of the Company have not been registered in the United States of America under the Securities Act of 1933. The Shares made available under this offer may not be directly or indirectly offered or sold in the United States of America or any of its territories or possessions or areas subject to its jurisdiction or to or for the benefit of nationals or residents thereof, unless pursuant to an exemption from registration requirements available under US law, any applicable statute, rule or interpretation. US Persons are not eligible to invest in the Company. Prospective Investors shall be required to declare that they are not a US Person and are not applying for Shares on behalf of any US Person. In the absence of written notice to the Company to the contrary, if a prospective investor provides a non-US address on the application form for investment in the Company, this will be deemed to be a representation and warranty from such investor that he/she/it is not a US Person and that such investor will continue to be a non-US Person unless and until the Company is otherwise notified of a change in the investor's US Person status.

The term "US Person" shall mean any person that is a United States person within the meaning of Regulation S under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission for this purpose, as the definition of such term may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.

The Company is not registered in any provincial or territorial jurisdiction in Canada and Shares of the Company have not been qualified for sale in any Canadian jurisdiction under applicable securities laws. The Shares made available under this offer may not be directly or indirectly offered or sold in any provincial or territorial jurisdiction in Canada or to or for the benefit of residents thereof. Prospective investors may be required to declare that they are not a Canadian resident and are not applying for Shares on behalf of any Canadian residents. If an investor becomes a Canadian resident after purchasing Shares of the Company, the investor will not be able to purchase any additional Shares of the Company.

Shares in the Company may not be purchased by retail investors in the European Union and are also not marketed to professional investors in the European Union.

Foreign Account Tax Compliance Act ("FATCA")

FATCA requires FFIs to provide the U.S. Internal Revenue Service with information about accounts held directly or indirectly by certain specified US persons. In addition, a 30% withholding tax is

imposed on certain types of U.S. sourced income (including dividends, interest and certain derivative payments) and on gross proceeds of sale of certain U.S. assets that can produce U.S. sourced income paid to an FFI that fails to comply with FATCA.

The Government of Ireland has entered into a Model 1 Intergovernmental Agreement (the “**Irish IGA**”) with the United States for the implementation of FATCA. The Company will have to comply with the Irish IGA and its implementing regulations. More specifically, the Company will be required to collect information aiming to identify its direct and indirect Shareholders that are US Persons for FATCA purposes (“**reportable accounts**”). Any such information on reportable accounts will be shared with the Irish tax authorities, who will then exchange that information on an automatic basis with the Government of the United States.

The Company is registered with the IRS and is a deemed-compliant FFI. The Company intends to comply with the terms of the Irish IGA to be deemed compliant with FATCA and not be subject to the 30% withholding tax with respect to its share of any payments attributable to actual and deemed U.S. investments in the Company. To ensure the Company’s compliance with FATCA and the Irish IGA, the Company, either directly or through its agents, may:

- (a) request information or documentation, including W-8 tax forms, a Global Intermediary Identification Number, if applicable, or any other valid evidence of a Shareholder’s FATCA registration with the IRS or a corresponding exemption, in order to ascertain such shareholder’s FATCA status; or
- (b) report information concerning a Shareholder and his account holding in the Company to the Irish tax authorities if such account is deemed a U.S. reportable account under the Irish IGA; and
- (c) if permitted by applicable law or rules, deduct applicable U.S. withholding taxes from certain payments made to a shareholder by or on behalf of the Company in accordance with FATCA and the Irish IGA. The Company in taking any such action or pursuing any such remedy shall act in good faith and on reasonable grounds.

Although the Company will endeavour to satisfy any obligations imposed on it to avoid the imposition of any FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of the FATCA regime, its net asset value may be adversely affected and Shareholders may suffer substantial losses as a result.

Data Protection

All personal data of Investors (“**Data**”) contained in the application form and all and any further personal data collected in the course of the business relationship with the Company and/or the AIFM may, subject to applicable local laws and regulations, be collected, recorded, stored, adapted, transferred or otherwise processed and used (“**processed**”) by the Company, the AIFM and other companies of Franklin Templeton Investments, including Franklin Resources, Inc. and/or its subsidiaries and associates, the Depositary and any other third parties which provide services to them, any of which may be established outside Ireland and/or the European Union, including the US and India. Such data shall be processed for the purposes of account administration, development

of business relationships, anti-money laundering and counter-terrorist financing identification, tax identification, where appropriate, or for the purpose of compliance with FATCA or similar laws and regulations (e.g. on OECD level). The Company and/or the AIFM, for the purpose of FATCA or other legal compliance, may be required to disclose personal data relating to US Persons and/or non-participant FFIs to the Irish tax authorities which may transfer them to the Internal Revenue Service in the US. The Company and members of the Franklin Templeton Investments group may also use personal data for other purposes set forth in the Franklin Templeton Privacy Notice.

The Company asks for investors to consent to the use of information on their religious or philosophical beliefs which may be revealed by compliance checks against politically exposed persons, for the above purposes. This consent is in the application form for Shares.

The Franklin Templeton Privacy Notice provides further information on the Company's and Franklin Templeton Investments' use of personal data and individuals' rights in that regard and is available at www.franklintempletonglobal.com/privacy. A hard copy is available by writing to the registered address of the AIFM.

For the purposes of, and subject to the provisions in, the Personal Data Protection Act 2012 (“**PDP**A”) and its regulations, the Investor consents and acknowledges that all Data provided by the Investor to the Corporate Representative, the Company, the AIFM, any distributor appointed by the Company and other companies of Franklin Templeton Investments, may be collected, used, disclosed or otherwise processed to enable each of the aforesaid entities to carry out their respective duties and obligations in relation to any investment by the Investor into the Company, for each of the purposes as set out in this section or as may be permitted under the PDP

A. The Fund's constitution is set out in the Fund's memorandum and articles of association (the “**Articles of Association**”). All shareholders of the Fund are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Articles of Association, copies of which are available for inspection by investors, free of charge, from the office of the Singapore Representative at 7 Temasek Boulevard, #38-03, Suntec Tower One, Singapore 038987 during normal Singapore business hours.

Investment in the Fund carries with it a degree of risk. The value of Shares and the income from them, if any, may go down as well as up, and investors may not get back the amount invested. Investment in the Fund should not constitute the sole or main investment of an investor's portfolio. Investors should consider the risk factors set out in paragraph 7 of this Singapore Prospectus and under the heading "Risk Factors" in the Ireland Prospectus.

Investors may wish to consult their independent financial adviser about the suitability of the Fund for their investment needs.

All enquiries in relation to the Fund should be directed to the Singapore Representative at:

7 Temasek Boulevard
#38-03 Suntec Tower One
Singapore 038987
Company Registration Number: 199205211E
Telephone : (65) 6432 9432
Fax : (65) 6332 2295

Email : cdsspr@franklintempleton.com

**IMPORTANT: PLEASE READ AND RETAIN THIS SINGAPORE PROSPECTUS FOR
FUTURE REFERENCE**

DIRECTORY

The Fund

Franklin Floating Rate Fund Plc

Registered Office:
200 Capital Dock
79 Sir John Rogerson's Quay
Dublin 2
D02 RK57
Ireland

Board of Directors of the Fund

Joseph Carrier
Fionnuala Doris
Joseph Keane
Joseph LaRocque
Elinor Murray
Jaspal Sagger
Jane Trust
Craig Tyle

AIFM

Franklin Templeton International Services S.à r.l.
8A, rue Albert Borschette
L-1246
Luxembourg

Investment Manager

Franklin Advisers, Inc
One Franklin Parkway
San Mateo
CA 94403-1906
U.S.A.

Administrator

J.P. Morgan Administration Services (Ireland) Limited
200 Capital Dock
79 Sir John Rogerson's Quay
Dublin 2

D02 RK57
Ireland

Depository

J.P. Morgan SE, Dublin Branch
200 Capital Dock
79 Sir John Rogerson's Quay
Dublin 2
D02 RK57
Ireland

Auditors

PricewaterhouseCoopers
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Agent for Service of Process in Singapore and Singapore Representative

Templeton Asset Management Ltd
7 Temasek Boulevard
#38-03 Suntec Tower One
Singapore 038987
Tel: (65) 6241 2662
Fax: (65) 6332 2295
Email: cdsspr@franklintempleton.com

Legal Advisers as to Irish Law

Matheson LLP
70 Sir John Rogerson's Quay
Dublin 2
Ireland

Legal Advisers as to Singapore Law

Chan & Goh LLP
8 Eu Tong Sen Street
#24-93 The Central
Singapore 059818

1. THE FUND

The Fund, Franklin Floating Rate Fund Plc, is an investment company with variable capital incorporated in Ireland on 1 December 1999 as a public limited company under registration number 316174.

The Fund is a retail alternative investment fund for the purposes of the Alternative Investment Fund Managers Directive (Directive 2011/61/EU) as amended (“AIFMD”) and has appointed Franklin Templeton International Services S.à r.l. to be its AIFM. The Fund is authorised by the Central Bank of Ireland as an investment company under the Companies Act 2014 of Ireland (the “Act”) and designated by the Central Bank of Ireland under Section 1395 of Part 24 of the Act to provide facilities for the direct or indirect participation by the public in the profits and income of the Fund. It is structured as a single fund.

The Fund is not an Undertaking for Collective Investment in Transferable Securities and is not subject to the Directive 2009/65/EC of the European Parliament on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and of the Council of July 13, 2009, as amended.

The Fund is a feeder fund feeding into the Master Fund.

More details on the Fund can be found under the heading “THE COMPANY” in the Ireland Prospectus.

2. THE CLASSES

Separate Classes of Shares are issued in relation to the Fund. The Fund is currently offering to investors in Singapore the following Classes of Shares for subscription:

Share Class	Denomination
Class A (dis) Shares	USD
Class A (dis) HKD Shares	HKD
Class A (acc) Shares	USD
Class AX (dis) Shares	USD
Class A (dis) SGD-H1 Shares	SGD
Class A (dis) EUR-H1 Shares	EUR
Class A (dis) RMB-H1 Shares	RMB
Class C (dis) Shares	USD
Class N (dis) Shares	USD
Class N (acc) Shares	USD
Class W (acc) Shares	USD
Class W (dis) Shares	USD

Different Classes of Shares may have different fee structures as described in paragraph 6 of this Singapore Prospectus and different minimum subscription and minimum holding amounts as described in paragraphs 8.3 and 9.2 respectively of this Singapore Prospectus. Dividends are declared only in respect of (dis) Shares and not (acc) Shares. Distributions may also be made out of capital of the Fund. Where distributions are made out of capital, it will result in a reduction in the net asset value of the Fund (“**Net Asset Value**”).

Investors should note that all or part of fees and expenses, including management fees may be charged to capital. In the event that they are, the capital of the Company will be eroded and this will have the effect of lowering the capital value of the Shareholders’ investment.

Please refer to the heading “**INVESTMENT TECHNIQUES - Dividend Distribution Policy of the Company**” in the Ireland Prospectus for details.

“**USD**” means United States Dollars.

“**SGD**” means Singapore Dollars.

“**EUR**” means Euro.

“**RMB**” means Renminbi.

“**HKD**” means Hong Kong Dollars.

3. MANAGEMENT AND ADMINISTRATION

Full details on the management and administration of the Fund are set out under the heading “**MANAGEMENT AND ADMINISTRATION**” in the Ireland Prospectus.

3.1 Directors

The Directors are responsible for managing the business affairs of the Fund in accordance with the Articles of Association. The Directors have delegated (i) the day-to-day administration of the Fund’s affairs (including the calculation of the Net Asset Value and the Net Asset Value per Share, Shareholder registration and transfer agency services and related services) to the Administrator, and (ii) the management of the cash and other assets and investments of the Fund to the AIFM.

3.2 AIFM

Franklin Templeton International Services S.à r.l. has been authorised by the Commission de Surveillance du Secteur Financier to act as an AIFM pursuant to the Law of 12 July 2013 and has been appointed by the Fund as alternative investment fund manager to perform portfolio and risk management functions as well as activities related to the assets of the Fund. The AIFM has delegated the portfolio management services to the Investment Manager. The AIFM and the Investment Manager are members of Franklin Templeton Investments.

The AIFM was incorporated on 17 May 1991 as a société anonyme under the laws of the Grand Duchy of Luxembourg and its articles of incorporation are deposited with the

Luxembourg Registre de Commerce et des Sociétés. The AIFM will comply at all times with article 12 (Remuneration) of the Law of 12 July 2013. The regulatory authority of the AIFM is Commission de Surveillance du Secteur Financier.

The share capital of the AIFM is EUR 4,605,383.00 and will comply at all times with article 8 of the Law of 12 July 2013.

Franklin Templeton International Services S.à r.l. was authorised on 21 November 2013 as a management company managing UCITS and other investment funds and therefore complies with the conditions set out in Chapter 15 of the Law of 17 December 2010. The corporate object of Franklin Templeton International Services S.à r.l. is to provide investment management, administration and marketing services to undertakings for collective investment.

The AIFM has managed collective investment schemes since 1991.

The AIFM is responsible for the portfolio management and the risk management function of the Fund. The AIFM is also responsible for ensuring compliance with the AIFMD.

The Fund may terminate and replace the AIFM in the event of the insolvency of the AIFM. The Fund will notify investors of such an occurrence.

Board of Managers of the AIFM

BÉRENGÈRE BLASZCZYK

Head of distribution France, Benelux & Nordics
Franklin Templeton International Services S.à r.l.

Bérenère Blaszczyk has worked in Franklin Templeton since 2002. She is currently the Head of Distribution for France, Benelux and Nordics, overseeing sales, marketing and communication in the 4 countries. She is also the General Manager of the French, Belgian and Dutch branches of Franklin Templeton International Services S.à r.l. and Conducting Officer of Franklin Templeton France S.A.

Prior to working at Franklin Templeton, Ms. Blaszczyk had worked at JPMorgan Fleming Asset Management (London) and Chase Fleming Asset Management (Luxembourg).

Ms. Blaszczyk holds a Bachelor's degree in Business Administration from HEC Management School, University of Liège, and holds a CFA UK Level 4 Certificate in Investment Management.

MARTIN DOBBINS

CEO / Founder Sage Advisory s.à r.l.

Martin Dobbins is the Founder and CEO of Sage Advisory, s.à r.l., with over 30 years of international experience in the financial industry. He provides advisory services and directorships to some of the leading asset management, financial service and technology firms. He supports investment and start-up firms in strategy, acquisitions, regulatory framework, and corporate governance. He is a board member for investment funds, financials service and technology firms. He chairs a start-up firm utilizing block chain and

AI for shareholder and distribution activities. Mr. Dobbins has had management assignments in Asia / Pacific, UK, Continental Europe and the U.S. He was the former European and Luxembourg CEO & Country Head for a U.S. Bank where he chaired the Luxembourg executive group. As a global systemically important institution he was the lead executive to the European Central Bank's Joint Supervisory team. He led the growth and development of its Luxembourg entity to be the leading Fund Administrator and was a key executive member in numerous global acquisitions.

Mr. Dobbins holds a BS/BA in Finance & Banking & Computer Information Systems, as well as a Executive Master in Business Administration, from Suffolk University – Frank Sawyer School of Management.

WILLIAM JACKSON

William Jackson spent most of his career at Franklin Templeton (FT) and held various roles including: Chief Administration Officer of the Technology & Operations Division, Bank Relationship Management, Data Governance, Fund & Portfolio Accounting, Project Management Office, Managing Director of the Franklin Templeton International Services (FTIS) - Luxembourg Management Company and President of the Indian Service Company.

Mr Jackson was a director of a number of FT corporate and fund boards in UK, Ireland, Luxembourg, Cayman, Poland and India. Currently he sits on the FT Luxembourg Management Company board (FTIS) as well as the UK Management Company board (Franklin Templeton Fund Management Ltd).

Mr Jackson earned his degree in industrial chemistry from Paisley College and is a member of The Chartered Institute of Management Accountants.

GWEN SHANEYFELT

EVP – Chief Accounting Officer
Franklin Resources, Inc.

Gwen Shaneyfelt is responsible for corporate accounting, financial operations, accounting policy, financial reporting, corporate taxation and transfer pricing for Franklin Resources and its subsidiaries globally.

Mrs. Shaneyfelt has devoted her career to the financial services industry and has spent more than 25 years in the investment management industry. From 2006 through 2011, she served as chairman of the ICI Tax and Advisor/Distributor Tax committees.

Prior to joining Franklin Templeton, Mrs. Shaneyfelt was Executive Director of Tax at Morgan Stanley Investment Management where she was responsible for all corporate and fund tax matters for the Investment Management Division. In addition to Morgan Stanley, Mrs. Shaneyfelt's investment services career includes senior tax positions at Van Kampen Investments and KPMG Peat Marwick where she was Senior Tax Manager.

Mrs. Shaneyfelt holds a BS in Accountancy from Northern Illinois University. She is a Certified Public Accountant in the State of Illinois.

A. CRAIG BLAIR

Conducting Officer

Franklin Templeton International Services S.à r.l.

Mr A. Craig Blair is a General Manager and Conducting Officer for Franklin Templeton International Services S.à r.l. in Luxembourg, where he has worked since 2004.

Mr. Blair has worked in the global financial services industry for over 17 years, holding various responsibilities in the Luxembourg, UK, Irish, Eastern European and Brazilian asset management industries. As Head of FTIS, he is responsible for the day-to-day operations of the corporate entity and EU wide branch structure and leads a team of seven conducting officers that ensure management services and delegation oversight responsibilities are performed for a number of UCITS and Alternative Investment Funds. He has a broad knowledge of fund governance practices in open and closed end fund vehicles, including former experience as a designated person for an Irish self-managed investment company, as well as extensive experience of servicing boards and board committees of globally distributing SICAV and FTSE listed investment trust vehicles.

He currently also sits on the Board of the Association of the Luxembourg Fund Industry (ALFI) and co-chairs the ALFI Management Company Technical Committee.

Mr Blair holds an MBA from Manchester Business School, is a Member of the Chartered Institute of Management Accountants and holds a Law degree from Leicester University.

ED VENNER

Chief Operating Officer – Distribution

Franklin Templeton Investment Management Limited

Ed Venner is distribution chief operating officer for Franklin Templeton, with responsibility for global product, marketing and other business functions such as data and analytics, technology and strategy.

Prior to Franklin Templeton's acquisition of Legg Mason, Ed was COO for Global Distribution at Legg Mason having previously served as international chief financial officer and in other finance roles at the firm. Ed also spent a year as acting head of Global Distribution in 2017 and two years (2018-2019) as interim head of US Sales.

Prior to joining Legg Mason, Ed trained as a chartered accountant with Ernst & Young in their London Asset Management Practice. He holds a Bachelor of Arts (with honours) in Economics from the University of Durham and was also conferred membership (ACA) of the Institute of Chartered Accounts of England & Wales ("ICAEW") in 1998 and subsequently a fellowship (FCA) of the ICAEW in 2011.

JANE TRUST

Senior Vice President – Fund Board Management For Franklin Templeton

Ms. Trust manages and serves as a Director of each of the Legg Mason Irish-domiciled Funds. She also oversees governance structure and partners closely with internal groups, such as Legal and Accounting, on board areas of focus. Prior to joining Franklin Templeton,

Jane was a Senior Managing Director at Legg Mason & Co., LLC. and President and CEO of the Legg Mason – Affiliated Funds.

Since 2019, Ms. Trust served as Legg Mason’s Global Head of Product Management and had responsibility for U.S. Fund Board governance since 2015. From 2017 to 2019, she served as the Head of U.S. Product Management

Ms. Trust joined Legg Mason in 1987. From 2007 to 2014, Ms. Trust held various roles in Legg Mason companies, including senior investment roles within Legg Mason Capital Management (“LMCM”), which became part of ClearBridge Investments in March 2013, and Legg Mason Investment Counsel (“LMIC”).

Ms. Trust was an Institutional Portfolio Manager for LMCM, managing accounts on behalf of sovereign wealth funds, pension plans, public funds and mutual funds. At LMIC, Ms. Trust was Head of Investments, supervising a team of equity and fixed income portfolio managers and overseeing the firm’s trading desk.

Ms. Trust received an AB in Engineering Sciences from Dartmouth College and a Master of Administrative Science in Finance from The Johns Hopkins University. She is a CFA® charterholder having received the Chartered Financial Analyst (CFA) designation in 1991, and she is also a member of the CFA Institute and the Baltimore CFA Society.

3.3 Investment Manager

The investment manager of the Fund is Franklin Advisers, Inc. (the “**Investment Manager**”), a company incorporated in U.S.A. whose registered office is at One Franklin Parkway, San Mateo, CA 94403-1906, U.S.A. The regulatory authority of the Investment Manager is the U.S. Securities and Exchange Commission.

The AIFM has appointed Franklin Advisers, Inc. as the Investment Manager of the Fund to assist in investing and managing the cash and other assets and investments of the Fund. The Investment Manager of the Fund also acts as Investment Adviser of the Master Fund. The Investment Manager continuously conducts investment research and is responsible for the purchase, sale or exchange of portfolio assets.

Franklin Advisers Inc. has managed collective investment schemes since 1985.

Portfolio Management Team

The portfolio management team consists of Reema Agarwal, Judy Sher, Justin Ma and Margaret Chiu, who are co-lead managers.

Reema Agarwal is the senior vice president and director of Floating Rate Debt for Franklin Templeton Fixed Income - Bank Loans in San Mateo, California, United States. Ms. Agarwal is responsible for overseeing floating rate bank loan teams across the full spectrum of the bank loan market. She also manages several bank loan mutual funds for retail, institutional, and multi strategy clients, as well as the group’s collateralized loan obligation

(CLO). Ms. Agarwal has over 26 years of experience in the financial services industry. She is a member of the Fixed Income Research and Strategy Team (FIRST), which sets broad fixed income strategy at Franklin Templeton. Prior to her current role, Ms. Agarwal was the director of research for Franklin Templeton Fixed Income - Floating Rate Debt from 2014 to 2018. During her tenure, Ms. Agarwal has covered several sectors including: paper/packaging, chemicals, capital equipment, beverage, food, tobacco, consumer goods, high tech, publishing, metals and mining, retail, and business services. She previously was with FleetBoston Financial and with ABN AMRO Bank N.V. Ms. Agarwal joined Franklin Templeton in 2004 as a research analyst. Ms. Agarwal holds a bachelor of arts in business from Delhi University, and a MBA from the Indian Institute of Management at Bangalore. She is a Chartered Financial Analyst (CFA) charterholder, a member of the CFA Society of San Francisco (CFASF), and the CFA Institute.

Judy Sher is a vice president and portfolio manager and research for Franklin Templeton Fixed Income - Bank Loans in San Mateo, California, United States. Ms. Sher manages Franklin Floating Rate Daily Access Fund and Franklin Floating Rate Fund PLC. Ms. Sher has over 21 years of experience in the financial services industry. She joined Franklin Templeton in 2013 as a vice president and research analyst in the floating rate debt group covering the retail, consumer products, food and restaurants sectors. Prior to joining Franklin Templeton, Ms. Sher was a high yield/leveraged loan research analyst for Fidelity's High Income division. Prior to that, she was with Credit Suisse, Octagon Credit Investors, and Gap Inc. Ms. Sher holds a bachelor of arts in economics from Columbia University and a MBA in finance and strategic management from the Wharton School of Business, University of Pennsylvania, where she was a Joseph Wharton Fellow.

Justin Ma is a vice president and portfolio manager for Franklin Templeton Fixed Income - Bank Loans in San Mateo, California, United States. Mr. Ma is responsible for managing Franklin Floating Rate Daily Access Fund, Franklin Floating Rate Fund PLC, Franklin Liberty Senior Loan ETF, and Franklin Limited Duration Income Trust. Mr. Ma has over 16 years of experience in the financial services industry. He is also a member of the FIRST, which sets the broad fixed income strategy at Franklin Templeton. Prior to his current role, Mr. Ma was a portfolio manager for Franklin Templeton Fixed Income - Floating Rate Debt. He joined Franklin Templeton in 2006 as a futures associate. Mr. Ma holds a bachelor of arts in public policy from Stanford University. He is a Chartered Financial Analyst (CFA) charterholder, a member of the CFA Society of San Francisco (CFASF), and the CFA Institute.

Margaret Chiu is a vice president and portfolio manager for Franklin Templeton Fixed Income - Bank Loans in San Mateo, California, United States. Ms. Chiu is responsible for managing the floating rate open-end funds and institutional accounts, including the group's collateralized loan obligation (CLO). Ms. Chiu has over 11 years of experience in the financial services industry. Prior to her current role, Ms. Chiu was a portfolio analyst for Franklin Templeton Fixed Income - Bank Loans. She provided analytics for the CLOs the group previously managed, in addition to the institutional separate accounts. Ms. Chiu joined Franklin Templeton in 2012 as a futures associate. Ms. Chiu holds a bachelor of science in

business administration from the University of California at Berkeley. She is a Chartered Financial Analyst (CFA) charterholder and Certified Financial Risk Manager (FRM).

The AIFM may terminate the Investment Manager with immediate effect, in the event of the insolvency of such Investment Manager.

4. OTHER PARTIES

4.1 The Singapore Representative

4.1.1 Templeton Asset Management Ltd has been appointed by the Fund to act as the Fund's local agent in Singapore to accept service of process on behalf of the Fund.

4.1.2 Templeton Asset Management Ltd has also been appointed by the Fund to act as the representative for the Fund (the “**Singapore Representative**”) for the purposes of the SFA, and to carry out and provide certain administrative and other functions and services in respect of the Fund.

4.1.3 The Singapore Representative shall carry out and provide (or procure to be carried out and provided) administrative and other functions and services, including but not limited to:

- (i) facilitating the issue, redemption and conversion of Shares;
- (ii) publishing the most recent net asset value of Shares;
- (iii) facilitating the sending of reports to the shareholders of the Fund who subscribed for or purchased Shares in Singapore (the “**Shareholders**”);
- (iv) maintaining for inspection in Singapore a subsidiary register of Shareholders or maintaining in Singapore any facility that enables the inspection or extraction of the equivalent information;
- (v) receiving all enquiries in relation to the Fund from Shareholders and applicants of the Fund and forwarding the same to the Fund;
- (vi) making available at the Singapore Representative's office for public inspection and offering free of charge to Shareholders and applicants of the Fund, copies of the Articles of Association, the Singapore Prospectus and the latest audited annual reports and semi-annual reports of the Fund; and
- (vii) accepting on behalf of the Fund service of all notices and other documents addressed to the Fund by any Shareholder and immediately despatching the same to the Fund.

4.2 Administrator and Registrar and Transfer Agent

The Fund has appointed J.P. Morgan Administration Services (Ireland) Limited (the “**Administrator**”) to act as administrator and registrar and transfer agent to the Fund and

will provide accounting, calculation of the Net Asset Value of the Fund, fund administration and transfer agency services to the Fund.

The Singapore Representative acts as the Administrator's agent in Singapore to provide the Fund with registrar agent services in relation to the Singapore Shareholders.

A copy of the register of Shareholders is kept at the registered office of the Singapore Representative at 7 Temasek Boulevard, #38-03 Suntec Tower One, Singapore 038987 and is available for inspection by investors, free of charge, during normal Singapore business hours.

4.3 Depositary

The Fund has appointed J.P. Morgan SE, acting through its Dublin Branch (the “**Depositary**”) to act as depositary of all the Fund's assets.

J.P. Morgan SE is a European Company (Societas Europaea) organized under the laws of Germany, having its registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany and is registered with the commercial register of the local court of Frankfurt. It is a credit institution subject to direct prudential supervision by the European Central Bank (ECB), the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and Deutsche Bundesbank, the German Central Bank; J.P. Morgan SE - Dublin Branch is authorized by the Central Bank to act as depositary and is licensed to engage in all banking operations under the laws of Ireland. Its business activities include the provision of custody and banking services, corporate finance and agency treasury management services. The ultimate parent company of the Depositary is JPMorgan Chase & Co. incorporated in Delaware, U.S.A. The Fund may terminate the Depositary in the event of a liquidation of the Depositary, where a successor custodian and depositary shall have been appointed in accordance with the Articles, the Act and approved by the Central Bank of Ireland.

Please refer to the heading “**MANAGEMENT AND ADMINISTRATION — The Depositary**” in the Ireland Prospectus for more details on the Depositary.

4.4 Auditors

The auditors of the Fund are PricewaterhouseCoopers whose registered office is at One Spencer Dock, North Wall Quay, Dublin 1, Ireland.

5. INVESTMENT OBJECTIVE AND POLICY

5.1 Investment Objective and Policy of the Fund

The Fund'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**”), a series of the Franklin Floating Rate Master Trust (the “**Master Fund**”). The investment objectives, policies and restrictions of the Master Fund are set out below in paragraph 5.2 of this Singapore Prospectus. Any net assets not invested in the Master Fund will be retained in cash or invested in cash

equivalents. There can be no assurance that the Fund will achieve its investment objective. Investors should carefully assess the risks associated with an investment in the Fund. Please see paragraph 7 of this Singapore Prospectus for the risk factors.

Further details of the investment objective and policy of the Fund are set out under the heading “**INVESTMENT CONSIDERATIONS — Investment Objective and Policy of the Company**” in the Ireland Prospectus.

5.2 Investment Objectives, Policies and Restrictions of the Master Fund

The Master Fund was organised as a Delaware statutory trust on 16 November 1999 and on 11 June 2002, the Franklin Floating Rate Master Trust's board of trustees voted to register the trust as an open-ended investment company which was approved by the shareholders on 26 June 2002. The Master Fund is registered with the U.S. Securities & Exchange Commission (the “SEC”) and is regulated as an investment company under the U.S. Investment Company Act of 1940, as amended. Investors should be aware that the performance of the Fund will be dependent on the performance of the Master Fund and that any decline in the net asset value of Common Shares held in the Master Fund will result in the subsequent decline of the Net Asset Value per Share.

The Master Fund's investment goal is to provide as high a level of current income and preservation of capital as is consistent with investment primarily in senior secured corporate loans and corporate debt securities with floating interest rates.

The debt obligations (U.S. government securities, U.S. government agency securities, money market instruments, corporate and commercial obligations and repurchase agreements) in which the Master Fund may invest (whether by way of subscription, acquisition, participation or investment) primarily consist of obligations traded on the over-the-counter market in the United States conducted by primary dealers and secondary dealers regulated by the SEC and NASD Regulation, Inc. and by banking institutions regulated by the U.S. Comptroller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation and, in particular, on the market organised by the Loan Syndications and Trading Association.

The Investment Adviser of the Master Fund performs its own independent credit analysis of each borrower, and of the collateral structure securing the Master Fund's investment. The Investment Adviser of the Master Fund generally will determine the value of the collateral backing the Master Fund's investment by customary valuation techniques that it considers appropriate, including reference to financial statements, independent appraisal, or obtaining the market value of collateral (e.g., cash or securities), if it is readily ascertainable. The Investment Adviser of the Master Fund also will consider the nature of the industry in which the borrower operates, the nature of the borrower's assets, and the general quality and creditworthiness of the borrower and of any shareholder or other entity providing credit support to the borrower. The Investment Adviser of the Master Fund evaluates the credit quality of the Master Fund's investments on an ongoing basis. The value assigned to the collateral by the Investment Adviser of the Master Fund may be higher or lower than the value at which the borrower values the collateral on the borrower's books. An agent bank

may rely on third-party appraisals as to the value of specific collateral, but may not obtain a third-party appraisal in all cases.

The Master Fund's floating rate investments will, in most instances, hold the most senior position in the capitalization structure of the company and be secured by specific collateral. Such senior position means that, in case the company becomes insolvent, the lenders or security holders in a senior position like the Master Fund will typically be paid from the assets of the company before other creditors of the corporation. When a company pledges specific collateral, it has agreed to deliver, or has actually delivered, to the lenders or security holders assets it owns that will legally become the property of the lenders or security holders in case the company defaults in paying interest or principal. Additionally, the obligations of the borrower or issuer are generally subject to certain restrictive covenants in favour of the lenders or security holders that invest in them. As a result, the floating rate investments in which the Master Fund generally invests are typically subject to less credit risk than subordinated and/or unsecured positions of such issuers.

The Master Fund normally invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in corporate loans and corporate debt securities that are made to, or issued by, borrowers that are U.S. companies, non-U.S. borrowers and U.S. subsidiaries of non-U.S. borrowers and that have floating interest rates (floating interest rate loans and securities). Shareholders in the Master Fund will be given sixty days advance notice of any change in this 80% policy. The Master Fund includes investments that provide exposure to such corporate loans and debt securities, such as collateralized loan obligations, for purposes of compliance with such 80% test.

Certain of the Master Fund's floating interest rate investments may permit the borrower to select an interest rate reset period of up to one year. A portion of the Master Fund's investments may consist of loans with interest rates that are fixed for the term of the loan. Investment with longer interest rate reset periods or fixed interest rates may increase fluctuations in the Master Fund's share price as a result of changes in interest rates. Fixed rate corporate loans and debt securities that are converted from fixed rate investments to floating rate investments through interest rate swaps or other derivative transactions will be considered to be floating interest rate loans and securities for purposes of the Master Fund's policy of normally investing at least 80% of its net assets in income-producing floating interest rate corporate loans and corporate debt securities made to or issued by U.S. companies, non-U.S. entities and U.S. subsidiaries of non-U.S. entities. Some of the Master Fund's floating interest rate loans and securities may have the additional feature of converting into a fixed rate instrument after certain periods of time or under certain circumstances. Upon conversion of any such floating interest rate loans and securities to fixed rate instruments, the Investment Adviser of the Master Fund will rebalance the Master Fund's investments, if needed, to meet the 80% level described above, as promptly as is reasonable. Historically, corporate loans and corporate debt securities have required that the borrower or issuer comply with various restrictive covenants that accompany the loan or security, however, consistent with the characteristics of the prevailing loan market, the loans or securities in which the Master Fund generally invests have varied terms and conditions, but contain fewer or no restrictive covenants and are often referred to as "covenant lite" loans and debt securities. The Master Fund generally invests in covenant lite loans and

securities, and as a result, may experience relatively greater difficulty or delays in enforcing its rights than with respect to its holdings of loans or securities with the traditional covenants.

The debt obligations may be structured to require the Master Fund to contribute additional capital to the corporate issuer or obligor. If the Master Fund's future obligations are not met for any reason, including the failure of an intermediate participant to fulfil its obligations, the Master Fund's interests may be harmed. The possible exposure of the Master Fund resulting from these requirements will be aggregated to ensure that prior to becoming subject to a requirement to contribute additional capital to such corporate issuer or obligor, the Master Fund will be satisfied the requirements will not result in a breach of its investment restrictions.

The Master Fund normally invests primarily in corporate loans or securities of U.S. entities, but may invest up to 65% of its assets in corporate loans or corporate debt securities of entities in developed countries other than the U.S. The Master Fund may from time to time invest in corporate debt securities of entities in emerging market countries, but currently does not intend to invest more than 35% of its assets in emerging market countries. The Master Fund considers a country to be an emerging market country if it is defined as a country with an emerging or developing economy by any one or more of the following: the International Bank for Reconstruction and Development (commonly known as the World Bank), the International Finance Corporation, or the United Nations or its agencies or authorities.

The Master Fund currently invests predominately in corporate loans or corporate debt securities that are U.S. dollar-denominated or otherwise provide for payment in U.S. dollars. For the purposes of pursuing its investment goals, the Master Fund may enter into interest rate and credit-related transactions involving certain derivative instruments, including interest rate and credit default swaps (including loan and high yield credit default swaps), total return swaps or other derivative transactions. The Master Fund may use such interest rate or credit-related derivative transactions to hedge risks relating to changes in interest rates, credit risks and other market factors. The Master Fund may also use interest rate or credit-related derivative transactions for the purposes of enhancing Fund returns, increasing liquidity, and/or gaining exposure to particular instruments or interest rates in more efficient or less expensive ways.

The Master Fund may also invest in collateralized loan obligations (CLOs). CLOs represent interests in a special purpose, bankruptcy-remote vehicle, typically a trust, collateralized by a pool generally comprised of corporate and/or sovereign loans, which may include, among others, senior secured loans, senior unsecured loans, and subordinate corporate loans made to domestic and foreign borrowers, including loans that may be rated below investment grade or equivalent unrated loans. The interests in the trust are split into two or more portions, called tranches, varying in risk, maturity, payment priority and yield. The riskiest portion is the "equity" tranche, which is the first loss position to observe defaults from the collateral in the trust or to trade at a loss. Because senior tranches of a CLO trust are partially protected from defaults and, potentially, trading losses, as a result of the subordinate tranches, such senior tranches typically have higher ratings and lower yields than the

underlying collateral securities held by the trust and can be rated investment grade. The Master Fund may invest in any tranche of a CLO excluding the “equity” tranche.

When the Investment Adviser of the Master Fund believes market or economic conditions are unfavourable for investors (for example in times of market failure), the Investment Adviser of the Master Fund may invest up to 100% of the Master Fund's assets in a temporary defensive manner by holding all or a substantial portion of its assets in cash, cash equivalents or other high quality short-term investments. Temporary defensive investments generally may include short-term U.S. government securities, high-grade commercial paper, bank obligations, repurchase agreements, money market fund shares (including shares of an affiliated money market fund) and other money market instruments. The Investment Adviser of the Master Fund also may invest in these types of securities or hold cash while looking for suitable investment opportunities or to maintain liquidity. In these circumstances, the Master Fund may be unable to achieve its investment goal.

In addition to the Master Fund's main investments, the Master Fund may invest up to 20% of its net assets in certain other types of debt obligations or securities, including other secured, second lien, subordinated or unsecured corporate loans and corporate debt securities, and fixed rate obligations of U.S. companies, non-U.S. entities and U.S. subsidiaries of non-U.S. entities.

Floating interest rate loans and securities are generally credit-rated less than investment grade and may be subject to restrictions on resale. The Master Fund may invest up to 100% of its portfolio in floating interest rate loans and securities that may be high yield, high risk, debt securities and are rated less than investment grade (i.e., less than BBB, sometimes called junk bonds) or if unrated are determined to be of comparable quality by the Investment Adviser of the Master Fund. Under normal conditions, the Master Fund invests at least 75% of its net assets in floating interest rate loans and securities that are rated B- or higher by a nationally recognised statistical rating organization (“NRSRO”) or, if unrated, are determined to be of comparable quality by the Investment Adviser of the Master Fund. Under normal conditions, the Master Fund may invest up to 25% of its net assets in floating interest rate loans and securities that are rated below B- by an NRSRO or, if unrated, are determined to be of comparable quality by the Investment Adviser of the Master Fund.

The Master Fund has no restrictions on portfolio maturity. The Master Fund anticipates, however, that a majority of its investments will have stated maturities ranging from three to seven years. This means that the borrower is required to fully repay the obligation within that time period. The Master Fund also anticipates that its investments will generally have an expected average life of five years or less. The expected average life of most floating rate investments is less than their stated maturities because the borrowers may choose to pay off such obligations early. Such obligations usually permit the borrower to elect to prepay. Also, prepayment is likely because such corporate obligations generally provide that the lenders will have priority in prepayment in case of sales of assets of the borrowers, or from excess cash flow.

To a limited extent, the Master Fund may also acquire warrants and equities securities traded on Recognised Markets in connection with or incidental to the Master Fund's investment

activities. A warrant is a security that gives the holder the right, but not the obligation, to subscribe for newly created securities of the issuer or a related company at a fixed price either at a certain date or during the set period.

The Master Fund may invest up to 5% of its net assets in other investment companies, including closed-end funds and exchange traded funds (ETFs) to the extent permitted by the 1940 Act, U.S. Securities and Exchange Commission (“SEC”) rules thereunder and exemptions thereto. With respect to funds in which the Master Fund may invest, Section 12(d)(1)(A) of the 1940 Act requires that, as determined immediately after a purchase is made, (i) not more than 5% of the value of the Master Fund’s total assets will be invested in the securities of any one investment company, (ii) not more than 10% of the value of the Master Fund’s total assets will be invested in securities of investment companies as a group, and (iii) not more than 3% of the outstanding voting stock of any one investment company will be owned by the Master Fund. The Master Fund will limit its investments in funds in accordance with the 1940 Act Section 12(d)(1)(A) limitations set forth above, except to the extent that any rules, regulations or no-action or exemptive relief under the 1940 Act permits the Master Fund’s investments to exceed such limits. For example, Rule 12d1-4 (the “Rule”), permits the Master Fund to invest in other investment companies beyond the statutory limits, subject to certain conditions. Among other conditions, the Rule prohibits a fund from acquiring control of another investment company (other than an investment company in the same group of investment companies), including by acquiring more than 25% of its voting securities. In addition, the Rule imposes certain voting requirements when a fund's ownership of another investment company exceeds particular thresholds. If shares of a fund are acquired by another investment company, the “acquired” fund may not purchase or otherwise acquire the securities of an investment company or private fund if immediately after such purchase or acquisition, the securities of investment companies and private funds owned by that acquired fund have an aggregate value in excess of 10% of the value of the total assets of the fund, subject to certain exceptions. These restrictions may limit the Master Fund's ability to invest in other investment companies to the extent desired. In addition, other investment companies may impose other investment limitations or redemption restrictions which may also limit the Master Fund's flexibility with respect to making investments in those unaffiliated investment companies. There will be no change to the Master Fund’s own fees as a result of its investment in other investment companies, but to the extent that the Master Fund invests in another investment company, because other investment companies pay advisory, administrative and service fees that are borne indirectly by investors, such as the Master Fund, there may be duplication of investment management and other fees. The Master Fund may also invest its cash balances in affiliated money market funds to the extent permitted by its investment policies and rules and exemptions granted under the 1940 Act.

Changes to investment policies which are not fundamental, and which are not material in nature, may be made with the approval of the Board of the Master Fund.

The Master Fund issues only a single class of shares. Currently, the Master Fund has one shareholder, the Franklin Floating Rate Fund PLC.

The Investment Manager is also the investment adviser of the Master Fund (the “**Investment Adviser**”). See the heading “**MANAGEMENT AND ADMINISTRATION — The Investment Adviser of the Master Fund**” in the Ireland Prospectus for further details of the Investment Adviser.

Further details of the investment objectives, policies and restrictions of the Master Fund are set out under the headings “**INVESTMENT CONSIDERATIONS — Investment Objectives and Policies of the Master Fund**” and “**INVESTMENT TECHNIQUES**” in the Ireland Prospectus and the Appendix “**INVESTMENT CONSIDERATIONS – Fundamental Investment Policies of the Master Fund**” of this Singapore Prospectus.

Notwithstanding the investment restrictions above, and for such time as the Fund is recognised by the Monetary Authority of Singapore in Singapore, the Fund and the Master Fund:-

- (a) shall not invest in metals, commodities and infrastructure; and
- (b) shall ensure that borrowings of the Master Fund may not exceed 10% of its total net asset value and should be restricted to facilitating redemptions or defraying operating expenses on a temporary basis. Repos and securities lending agreements used for efficient portfolio management purposes shall not be regarded as “borrowing” for the purposes of this limitation, however, any potential exposure created by over-the-counter contracts entered into by the Master Fund shall be aggregated with any borrowings for the purpose of this limitation.

The Master Fund is actively managed and its benchmark serves as both a reference for the full opportunity set and a general base line from which the portfolio is allocated and the risk exposures are positioned.

5.3 Sustainable Finance

The Investment Adviser of the Master Fund has adopted the following policy in respect of ESG Integration for the Master Fund. ESG Integration describes the mechanism by which the Investment Adviser of the Master Fund may integrate sustainability risks into investment decision-making, which may require the Investment Adviser of the Master Fund to assess the potential sustainability risks associated with the purchase of investments.

Sustainability risk means an environmental, social, or governance event or condition, that, if it occurs, could potentially or actually cause a material negative impact on the value of the Master Fund’s investments. Sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks, such as market risks, operational risks, liquidity risks or counterparty risks.

Sustainability risks, as further described in heading “Risk Factors” under paragraph 7 below, are important elements to consider in order to enhance long-term risk adjusted returns for investors and determine the Master Fund’s strategy risks and opportunities. The Master Fund currently integrates sustainability risk in the investment process. The Investment Adviser of the Master Fund makes use of specific methodologies and databases into which environmental, social and governance data from external research companies, as well as

own research results, are incorporated. Assessment of sustainability risks is complex and may be based on environmental, social and governance data which is difficult to obtain and incomplete, estimated, out of date or otherwise materially inaccurate. Even when identified, there can be no guarantee that these data will be correctly assessed.

To the extent that a sustainability risk occurs, or occurs in a manner that is not anticipated by the Investment Adviser of the Master Fund / the Investment Adviser of the Master Fund’s models, there may be a sudden, material negative impact on the value of an investment, and hence on the value of the Master Fund and accordingly, the Net Asset Value of the Company. Such negative impact may result in an entire loss of value of the relevant investment(s) and may have an equivalent negative impact on the value of the Master Fund and accordingly, the Net Asset Value of the Company.

The investments underlying the Master Fund do not take into account the EU criteria for environmentally sustainable economic activities, including enabling or transitional activities, within the meaning of the Taxonomy Regulation.

The Investment Adviser of the Master Fund does not consider principal adverse impacts on sustainability factors in respect of the Master Fund.

“**ESG Integration**” refers to the Investment Adviser of the Master Fund’s framework for the integration of environmental, social and governance factors and sustainability risks into its investment process for the Master Fund.

“**Taxonomy Regulation**” means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, as may be amended from time to time.

6. FEES AND CHARGES

Current fees and charges payable by Shareholder			
Share Class	Sales Charge	Contingent Deferred Sales Charge (CDSC) (calculated by reference to the length of time the Shares have been held by the relevant investor)	Switching Fee (in respect of exchange of Shares of the Fund for shares or units of other investment funds offered by Templeton Asset Management Ltd)
Class A	Currently 3% (Maximum of 6.5%)	N.A.	1%
Class AX	Currently 3% (Maximum of 6.5%)	N.A.	1%

Class C	N.A.	<u>Years since purchase</u>	<u>CDSC</u> ¹	N.A.
		Less than one year	1.00%	
		Equal or more than one year	N.A.	
Class N	Currently 3% (Maximum of 3%)	N.A.		1%
Class W	N.A.	N.A.		1%

¹ The CDSC shall be payable on the lesser of the Net Asset Value of the Shares redeemed (exclusive of reinvested dividends) or the subscription price of such Shares. The CDSC shall be paid to the Distributor or such other person as the Distributor may from time to time appoint to defray distribution costs incurred by the Distributor.

Current fees and charges payable by the Fund to the Investment Manager/Administrator/Depository/Distributor		
AIFM Fee (payable to the AIFM)	0.06% per annum of the average daily Net Asset Value of the Fund	
Investment Management Fee (payable to the Investment Manager)	Nil (Any commission received by the Investment Manager by virtue of an investment in the Master Fund will be paid into the assets of the Fund.)	
Annual AIFM Fee retained by the AIFM:	60% to 100%	
Annual AIFM Fee paid to financial adviser or distributor (trailer fee)*:	0% to 40%	
Administration Fee (payable to the Administrator)	Up to 0.60% per annum of the average daily Net Asset Value of the Fund	
Depository Fee (payable to the Depository)	Up to 0.025% per annum of the average daily Net Asset Value of the Fund	
Shareholder Maintenance Fee (payable to the Distributor in respect of provision of services to investors on an on-going basis)	<u>Class</u>	<u>Maintenance Fee</u>
	Class A	Up to 0.30%
	Class AX	N.A.
	Class C	N.A.
	Class N	N.A.
Distribution Fees (payable to the Distributor)	<u>Class</u>	<u>Distribution Fees</u>
	Class A	N.A.
	Class AX	Up to 0.50%
	Class C	Up to 1.10%

Current fees and charges payable by the Fund to the Investment Manager/Administrator/Depository/Distributor	
	Class N Up to 1.00%
	Class W N.A.

* Your financial adviser or distributor is required to disclose to you the amount of trailer fee it receives from the Investment Manager.

Current fees and charges payable by the Fund to the Master Fund	
Sales Charge	Nil
Early Withdrawal Charge	An early withdrawal charge of 1% of the Net Asset Value of the Common Shares of the Master Fund to be redeemed generally applies to the Common Shares of the Master Fund redeemed within twelve months of their date of issue. The Investment Adviser has agreed to waive any early withdrawal charge in relation to the Common Shares held by the Fund in the Master Fund.

Fees Chargeable by the Master Fund	
Through its ownership of the Common Shares of the Master Fund, the Fund indirectly bears its proportionate share of the following annual fund operating expenses of the Master Fund (as a percentage of net assets attributable to the Common Shares):	
Investment Management Fees (payable to the Investment Adviser)	0.53% of the average daily net assets up to US\$2.5 billion, 0.45% of the average daily net assets over US\$2.5 billion up to US\$6.5 billion, 0.43% of the average daily net assets over US\$6.5 billion up to US\$11.5 billion, 0.40% of the average daily net assets over US\$11.5 billion up to US\$16.5 billion, 0.39% of the average daily net assets over US\$16.5 billion up to US\$19 billion, 0.38% of the average daily net assets over US\$19 billion up to US\$21.5 billion and 0.37% of the average daily net assets over US\$21.5 billion.
Administration Fees (payable to the administrator of the Master Fund)	The Investment Adviser is responsible for paying the Administrator of the Master Fund out of its own investment management fees and not out of the assets of the Master Fund.
Custodian Fees (payable to the custodian of the Master Fund)	0.001%
Redemption Fees	Nil
Other Expenses*	0.03%
Total Annual Fund Operating Expenses for the Master Fund	0.56%

(before waiver of the Investment Management Fees and the Administration Fees)	
---	--

* Such other expenses may exceed 0.1% of the net asset value of the Master Fund.

Investors should note that subscriptions for Shares through any distributor appointed by the Fund may incur additional fees and charges. Investors are advised to check with the relevant distributor if such additional fees and charges are imposed by the distributor. The Singapore Representative may enter into fee sharing arrangements with the appointed distributors with respect to the Sales Charge, Investment Management Fee and Switching Fee.

7. RISK FACTORS

7.1 General Risks

Investment in the Fund carries with it a degree of risk including the risks described below. These investment risks are not purported to be exhaustive and potential investors should review this Singapore Prospectus carefully and consult with their professional advisers before making an application for Shares. It is important to keep in mind one of the main axioms of investing: generally, the higher the risk of losing money, the higher the potential reward. The reverse is also generally true: the lower the risk, the lower the potential reward. There can be no assurance that the Fund will achieve its investment objectives. The Net Asset Value of Shares may go down as well as up and you may not get back the money invested or the return on your investment.

7.2 Specific Risks

By virtue of its investment in the Master Fund, the Fund is subject to the risks of the Master Fund, including but not limited to share currency designation risk, the risk of illiquid securities, credit risk, currency fluctuations risk, borrowing risk, political and economic risk, legal regulatory and operations risk, emerging markets risk, pricing risk, the risk of decline in Net Asset Value due to redemptions, portfolio management risk, possible indemnification obligations and risk in a change in the Master Fund's fundamental policies.

7.2.1 Highly Leveraged Transactions

The corporate loans and corporate debt securities, in which the Master Fund invests primarily, consist of transactions such as re-financings, recapitalisations, mergers and acquisitions, and other financings for general corporate purposes. This means that a borrower has undertaken the obligations in order to finance the growth of the borrower's business through product development or marketing, or to finance changes in the way the borrower utilises its assets and invested or borrowed financial resources.

Corporate loans and corporate debt securities also may include senior obligations of a borrower issued in connection with a restructuring pursuant to Chapter 11 of the U.S. Bankruptcy Code, provided that such senior obligations are determined by

the Investment Adviser of the Master Fund upon its credit analysis to be a suitable investment by the Master Fund.

A predominant portion of such corporate loans and corporate debt securities (which may be as much as 100% of the Master Fund's total assets) may be issued in leveraged or highly leveraged transactions. This means that the borrower is assuming large amounts of debt in order to have large amounts of financial resources to attempt to achieve its business objectives. Such business objectives may include: management's taking over control of a company (leveraged buyout); reorganising the assets and liabilities of a company (leveraged recapitalisation); or acquiring another company. Such corporate loans and corporate debt securities present special risks.

Such corporate loans may be structured to include both term loans, which are generally fully funded at the time of the Master Fund's investment, and revolving credit facilities, which would require the Master Fund to make additional investments in the corporate loans as required under the terms of the credit facility at the borrower's demand. Such corporate loans also may include receivables purchase facilities, which are similar to revolving credit facilities secured by a borrower's receivables.

7.2.2 Derivative Risk

The Master Fund may enter into credit default swaps, including loan credit default swaps and interest rate swaps. The use of such derivative transactions may allow the Master Fund to obtain net long or net short exposures to selected interest rates, durations or credit risks. The Master Fund may use these interest rate or credit-related derivative transactions for the purposes of enhancing returns, increasing liquidity, gaining exposure to particular instruments or interest rates in more efficient or less expensive ways and/or hedging risks relating to changes in interest rates, credit risks and other market factors.

For credit default swaps, the “buyer” of the credit default swap agreement is obligated to pay the “seller” a periodic stream of payments over the term of the agreement in return for a payment by the “seller” that is contingent upon the occurrence of a credit event with respect to an underlying reference debt obligation. Generally, a credit event means bankruptcy, failure to timely pay interest or principal, obligation acceleration, or modified restructuring of the reference debt obligation. The contingent payment by the seller generally is the face amount of the debt obligation in exchange for the physical delivery of the reference debt obligation or a cash payment equal to the then current market value of that debt obligation. By way of example, the investment manager might “buy” credit default swaps to help protect against the risk of default by the issuer of one or more debt securities held by the Master Fund. Alternatively, the Master Fund may “sell” a credit default swap to gain exposure to an asset class more efficiently or less expensively than by purchasing the related debt security outright.

Interest rate swaps involve the exchange by the Master Fund with another party of their respective commitments or rights to pay or receive interest, such as an exchange of fixed rate payments for floating interest rate payments.

The risk of loss with respect to credit risk hedges is limited to the amount of periodic streams of payments over the term of the agreement. If the other party to a credit default swap defaults, the Master Fund's risk of loss consists of the net payment of the face amount of the debt obligations. Similarly, the risk of loss with respect to interest rate hedges is limited to the net amount of interest payments that the Master Fund is obligated to make. If the other party to an interest rate swap defaults, the Master Fund's risk of loss consists of the net amount of interest payments that the Master Fund is entitled to receive.

7.2.3 Sustainability Risk

The Investment Adviser of the Master Fund considers that sustainability risks are relevant to the returns of the Master Fund. The integration of sustainability risks in the investment decision process may have the effect of excluding profitable investments from the investment universe of the Master Fund and may also cause the Master Fund to sell investments that will continue to perform well.

Appreciation of sustainability risk is to a degree subjective and there is no guarantee that all investments made by the Master Fund will reflect beliefs or values of any particular investor on sustainable investments.

A sustainability risk could materialise as the occurrence of an environmental, social or governance event or condition causing material negative impact on the value of one or several investments and thus negatively affecting the returns of the Master Fund.

Sustainability risks can manifest themselves in different ways, such as but not limited to:

- failure to comply with environmental, social or governance standards resulting in reputational damage, causing fall in demand for products and services, or loss of business opportunities for a company or industry group,
- changes in laws, regulations or industry norms giving rise to possible fines, sanctions or change in consumer behaviour affecting a company or an entire industry's prospects for growth and development,
- changes in laws or regulations, may generate higher demand for, and thus undue increase in prices of securities of companies perceived as meeting higher environmental, social and governance standards. Prices of such securities may become more volatile if perception from market participants about companies' adherence to environmental, social and governance standards changes, and

- changes in laws or regulations, may incentivise companies to provide misleading information about their environmental, social or governance standards or activities.

Commonly considered sustainability risk factors are split into environmental, social and governance, such as but not limited to the following topics:

Environmental

- Climate mitigation
- Adjustment to climate change
- Protection of biodiversity
- Sustainable use and protection of water and maritime resources
- Transition to a circular economy, avoidance of waste, and recycling
- The avoidance and reduction of environmental pollution
- Protection of healthy ecosystems
- Sustainable land use

Social affairs

- Compliance with recognised labour law standards (no child and forced labour, no discrimination)
- Compliance with employment safety and health protection
- Appropriate remuneration, fair working conditions, diversity, and training and development opportunities
- Trade union rights and freedom of assembly
- Guarantee of adequate product safety, including health protection
- Application of the same requirements to entities in the supply chain
- Inclusive projects or consideration of the interests of communities and social minorities

Corporate Governance

- Tax honesty
- Anti-corruption measures
- Sustainability management by the board
- Board remuneration based on sustainability criteria
- The facilitation of whistle-blowing
- Employee rights guarantees
- Data protection guarantees

Sustainability risks can lead to a significant deterioration in the financial profile, profitability or reputation of an underlying investment and thus may materially impact its market price or liquidity.

7.2.4 Custodian Risk

Investors are exposed to the risk that, in the event of insolvency or bankruptcy of the custodian, the Master Fund would be delayed or prevented from recovering its assets from the custodian. The assets of the Master Fund will be identified in the

custodian's books as belonging to the Master Fund, and securities and debt obligations of the Master Fund held by the custodian will be segregated from other assets of the custodian, which will mitigate but not eliminate this risk. However, no such segregation applies to cash held by the custodian on behalf of the Master Fund which increases the risk that the Master Fund could be delayed or prevented from recovering its assets in the event of the insolvency or bankruptcy of the custodian. The deposit insurance amount covered by the Federal Deposit Insurance Corporation for cash held by the custodian on behalf of the Master Fund is USD 250,000, as may be revised pursuant to applicable laws and regulations. Investors are also exposed to the risk of bankruptcy of any foreign sub-custodians utilised by the custodian, which may not be part of the same group of companies as the custodian. The Master Fund may invest in markets where custodial and/or settlement systems are not fully developed. Any appointments of sub-custodians are subject to the applicable rules and regulations of the U.S. Securities and Exchange Commission.

Please see the full risk factors set out under the heading “**RISK FACTORS**” in the Ireland Prospectus.

8. SUBSCRIPTION FOR SHARES

8.1 Subscription Procedure

The Fund or the Singapore Representative has the absolute discretion to accept or reject in whole or in part any application for Shares. Applications for Shares may be made on the relevant application forms accompanied by such documents as required by the Singapore Representative and subscription monies and submitted to the Singapore Representative or made through any appointed distributor, the Internet or any other sales channels, if applicable.

Applicants may pay for Shares with cash in the currency denomination of the relevant Class or base currency of the Fund (USD) (see Paragraph 2 of this Singapore Prospectus for details) or in such other currencies as may be accepted by the Singapore Representative.

Investors should note that subscription monies paid in a currency other than the base currency of the Fund will be converted to the base currency at the applicable exchange rate prior to such subscription monies being invested in the Fund, and the costs of such currency exchange, if any, will be borne by the investor. In respect of the Class A (dis) SGD-H1 Shares, applicants may pay for Shares with monies from their SRS monies or using cash.

Applications must be received by the Singapore Representative no later than 4.00 p.m. Singapore time on a Dealing Day. Subscription monies must be paid to the account specified below within three Singapore Business Days following the Dealing Day on which the application is received. If timely settlement is not made, an application may lapse and be cancelled. In such circumstances, the Fund and the Singapore Representative has the right to bring an action against the defaulting applicant to obtain compensation for any loss directly or indirectly resulting from the failure by the applicant to make good settlement by the settlement date. The Fund and the Singapore Representative reserve the right to cancel

the provisional allotment of the relevant Shares in those circumstances. Shares will not be issued during any period when the issue and valuation of Shares has been suspended as provided in paragraph 12 of this Singapore Prospectus.

Measures aimed towards the prevention of money laundering may require a detailed verification of the applicant's or beneficial owner's identity. The Fund and the Singapore Representative on behalf of the Fund reserve the right to request such information as is necessary to verify the identity of an applicant or a beneficial owner. In the event of delay or failure by the applicant or beneficial owner to produce any information required for verification purposes, the Fund and the Singapore Representative acting on behalf of the Fund, may refuse to accept the application and all subscription monies.

The Fund will not knowingly issue or approve the transfer of any Shares to any US Person (as defined under the heading “**IMPORTANT INFORMATION — Distribution and Selling Restrictions**” in the Ireland Prospectus) except in a transaction which does not contravene U.S. securities law. Each applicant for Shares will be required to provide such representations, warranties or documentation as may be required by the Fund to ensure that these requirements are met prior to the issue of Shares.

Although there is no statutory prohibition in Ireland on the purchase or holdings by persons resident in Ireland for Irish tax purposes of Shares in the Fund, the Fund imposes restrictions on the holding of Shares by such persons.

(a) Cash Subscription

For payments for cash subscriptions, investors should refer to the subscription application form for details on the acceptable modes of payment.

(b) Subscription through the Internet

The Shares may be offered to the public via the Internet subject to the relevant laws, regulations, practice directions and other requirements by the relevant authorities. By making an electronic online application for the subscription or redemption of the Shares on or through the website of the Singapore Representative or its appointed distributor (as the case may be), or by an application form printed from such a website, the investor confirms:

- (i) that he has read a copy of the Singapore Prospectus;
- (ii) that he is making the application for the subscription of the Shares while being present in Singapore; and
- (iii) his permission to the appointed distributor to disclose relevant particulars of his account to the Fund, the Singapore Representative, the relevant authorities and any other person to whom the appointed distributor deems it necessary to give, divulge or reveal information about the investor's account for the purpose of an application for Shares via the Internet.

(c) Purchase through the use of SRS monies

For purchases under the SRS scheme, investors must complete the relevant application form and send it to the Singapore Representative or its appointed distributors (as the case may be). The subscription monies will thereafter be obtained from an investor's account maintained with the relevant SRS Operator in respect of purchases using SRS monies. No transfer of Shares subscribed for using SRS monies is permitted.

During any period when the subscription or redemption of the Shares is suspended, the application for subscription or redemption of the Shares via Internet will either be suspended or not entertained. Any charges to be imposed by the Singapore Representative or the appointed distributor in connection with any application for subscription or redemption of Shares via the Internet will be borne by the investor.

Some appointed distributors may offer a cancellation policy whereby you will not incur the sales charges if you sell during the relevant period (the Fund does not offer such cancellation policy). You will however take the risk of a decline in the Fund's Net Asset Value since you purchased it and certain administrative fees may apply.

8.2 Market Timing

The Fund discourages short-term or excessive trading, often referred to as “**market timing**”, and intends to seek to restrict or reject such trading or take other action, as described below, if in the judgment of the Fund or Administrator such trading may interfere with the efficient management of the Fund, may materially increase the Fund's transaction costs, administrative costs or taxes, or may otherwise be detrimental to the interests of the Company and its shareholders.

Please refer to the heading “**SUBSCRIPTIONS AND REDEMPTIONS — Subscriptions**” in the Ireland Prospectus for details on market timing consequences, market timing through financial intermediaries, risks from market timers and revocation of market timing trades.

8.3 Minimum Initial Subscription and Minimum Subsequent Subscription Requirements

The minimum initial subscription and minimum subsequent subscription for all Classes of Shares are US\$1,000 and US\$500 respectively.

The Directors may from time to time waive or vary the minimum initial and subsequent subscription amounts for any Class of Shares.

8.4 Dealing Deadline and Pricing Basis

As Shares are issued on a forward pricing basis, the subscription price per Share shall not be ascertainable at the time of application. In applying for Shares, applicants pay a fixed amount of money which will buy the applicant the number of Shares (including fractions) obtained from dividing the fixed amount of money (less any applicable sales charge) by the subscription price per Share when it has been ascertained later.

Under normal circumstances, all applications received by the Singapore Representative by 4.00 p.m. Singapore time (the “**Dealing Deadline**”) on a Dealing Day (as defined below)

will be processed on the same Dealing Day at the subscription price per Share applicable for that Dealing Day.

A “**Dealing Day**” means each day which is both a New York Business Day and a Singapore Business Day, or otherwise as the Directors may from time to time determine.

A “**New York Business Day**” means a day on which the New York Stock Exchange (NYSE) is open for business, and/or such other business day or days as may be determined by the Directors.

A “**Singapore Business Day**” means a day (except Saturdays, Sundays and public holidays) on which commercial banks are open for business in Singapore.

All applications for Shares received after the Dealing Deadline on a Dealing Day or any time on a day that is not a Dealing Day will be processed on the next following Dealing Day at the subscription price per Share applicable for that Dealing Day.

The subscription price per Share applicable for a Dealing Day is the Net Asset Value per Share of the relevant Class calculated at the Valuation Point (as defined below).

A “**Valuation Point**” means the time as of which the Net Asset Value is determined, being 4.00 p.m. U.S. eastern standard time on each Dealing Day.

Determination Of Net Asset Value Of The Fund

The Net Asset Value of the Fund and the Net Asset Value per Share in the Fund shall be calculated by the Administrator to the nearest two decimal places in the base currency of the Fund. To the extent specified in this Prospectus, the Net Asset Value of the Fund, and the Net Asset Value per Share in the Fund, shall be calculated by the Administrator as of the Valuation Point on each Business Day in accordance with the valuation provisions summarised below.

The Net Asset Value of the Fund shall be calculated by ascertaining the value of the assets of the Fund and deducting from such amount the liabilities of the Fund, which shall include all fees and expenses payable, accrued and estimated to be payable out of the assets of the Fund.

The Net Asset Value per Share in respect of any class will be calculated by dividing the Net Asset Value of the Fund by the number of Shares of the relevant class in issue as of the relevant Valuation Point and making such adjustments thereto as are necessary to allocate the relevant fees, charges and expenses to such class, and to take account of any distributions made out of such class.

The Investment Manager may hedge the foreign currency exposure of a Hedged Class into the base currency of the Fund in order that investors in that class receive a return in the currency of that class which is not materially affected by changes in value between the Class Currency and the base currency of the Fund. As foreign exchange hedging may be utilised for the benefit of a particular class, its cost and related liabilities and/or benefits shall be for the account of that class only. Accordingly, such costs and related liabilities and/or benefits

will be reflected in the Net Asset Value per Share for Shares of any such class. The currency exposures of the assets of the Fund will not be allocated to separate classes. Foreign exchange hedging shall not be used for speculative purposes. The periodic reports of the Fund will indicate how hedging transactions have been utilised.

The Net Asset Value per Share will be published on Euronext Dublin on each Business Day and may be published in the Financial Times and in such other publication(s) or such electronic media, as the Directors may from time to time determine. Please refer to paragraph 11 of the Singapore Prospectus on “Obtaining Price Information”.

The Net Asset Value of the Fund is equal to the value of its holding in the Master Fund plus the Fund’s cash plus net income less expenses (which shall include fees payable by the Fund).

Shares in the Master Fund will be valued on the basis of the latest available repurchase price for Common Shares of the Master Fund.

Shares in collective investment schemes shall be valued on the basis of the latest available redemption price of such Shares after deduction of any redemption charges. If such prices are unavailable the Shares will be valued at their probable realisation value estimated with care and good faith by the AIFM in consultation with the Administrator or by an external valuer appointed for such purpose by the AIFM and approved for such purpose by the Depositary.

Cash deposits and similar assets shall be valued at their face value together with accrued interest unless in the opinion of the AIFM or an external valuer (in consultation with the Administrator and the Depositary) any adjustment should be made to reflect the fair value thereof.

Derivative instruments including swaps, interest rate futures contracts and other financial futures contracts which are traded on a Recognised Market shall be valued at the settlement price at the Valuation Point as determined by the relevant Recognised Market, provided that where it is not the practice of the relevant Recognised Market to quote a settlement price, or if a settlement price is not available for any reason, such instruments shall be valued at their probable realisation value estimated with care and good faith by the AIFM or an external valuer (who shall be approved for such purpose by the Depositary) in consultation with the Administrator. The value of forward foreign exchange contracts which are dealt in on a Recognised Market shall be calculated by reference to the price appearing to the AIFM or an external valuer to be the price at which a new forward contract of the same size, currency and maturity as determined by the relevant Recognised Market could be effected as at the Valuation Point, provided that if such market price is not available for any reason, such value shall be calculated in such manner as the AIFM or an external valuer shall, in accordance with the Administrator, determine with the approval of the Depositary.

Notwithstanding the above provisions the AIFM or an external valuer, with prior notification to the Depositary (a) adjust the valuation of any listed investment or (b) permit some other method of valuation approved by the Depositary to be used if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they

deem relevant, they consider that such adjustment or alternative method of valuation is required to reflect more fairly the value thereof.

In determining the Fund’s Net Asset Value per Share, all assets and liabilities initially expressed in foreign currencies will be converted into the base currency of the Fund using the latest available exchange rates at the Valuation Point. If quotations are not available, the rate of exchange will be determined in accordance with policies established in good faith by the AIFM or an external valuer.

For more details, please refer to the heading “**SUBSCRIPTIONS AND REDEMPTIONS — Determination of Net Asset Value of the Company**” in the Ireland Prospectus for details on how the Net Asset Value is calculated.

8.5 Numerical Examples of how Shares are Allotted

Class A / AX / N Shares

Based on an investment amount of US\$1,000.00 at the notional subscription price of US\$10.00[^] per Class A / AX / N Share and a sales charge of 3.0%, the number of Shares issued will be calculated as follows:

e.g.	US\$1,000.00	–	US\$30.00	=	US\$970.00	÷	US\$10.00	=	97.000
	Investment amount		Sales charge of 3.0%		Net investment sum		Subscription price per Class A / AX / N Share (= Net Asset Value per Class A / AX / N Share)		Number of Class A / AX / N Shares issued

Class C / W Shares

Based on an investment amount of US\$1,000.00 at the notional subscription price of US\$10.00[^] per Class C / W Share and no initial sales charge, the number of shares issued will be calculated as follows:

e.g.	US\$1,000.00	÷	US\$10.00	=	100.000
	Investment amount		Subscription price per Class C / W Share (= Net Asset Value per Class C / W Share)		Number of Class C / W Shares issued

[^]Investors should note that the actual subscription price will vary in line with the Net Asset Value per Share of the relevant Class. The above examples are for illustrative purposes only and are not a forecast or indication of any expectation of performance.

8.6 Confirmation of Purchase of Shares

All Shares issued will be in registered form and written confirmation of ownership will be sent to Shareholders within ten Singapore Business Days of receipt and acceptance of the

applications. Share certificates will not be issued unless the Directors otherwise determine. The number of Shares issued will be rounded to 3 decimal places, using conventional rounding to the nearest thousandths place and any surplus money will be credited to the Fund.

9. REDEMPTION OF SHARES

9.1 Redemption Procedure

Shareholders wishing to have all or any of their Shares redeemed should complete the relevant redemption form, together with such other documents as may be required by the Singapore Representative and submit it to the Singapore Representative or have their redemption requests made through any appointed distributor, the Internet or any other sales channels, if applicable.

The Singapore Representative may refuse any redemption requests if all relevant documents have not been submitted, if such redemption would result in non-compliance with the Minimum Holding requirement or in any other circumstances notified to the Shareholders.

Shareholders may redeem any or all of their Shares on any Dealing Day except when the redemption of Shares has been suspended as provided in paragraph 12 of this Singapore Prospectus.

If a Shareholder requests the redemption of a number of Shares equal to 5% or more of the Shares in issue or deemed to be in issue on any Dealing Day then the Directors may at their absolute discretion refuse to redeem such number of Shares held by the relevant Shareholder in excess of 5% of the Shares in issue on that Dealing Day as the Directors at their absolute discretion shall determine and, if they so refuse, the requests for redemption on such Dealing Day shall be reduced rateably and the Shares to which each request relates which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all the Shares to which the original request related have been repurchased.

If the aggregate redemption requests on any Dealing Day equal or exceed 10% or more of the outstanding Shares in issue or deemed to be in issue, the Directors may elect to restrict the total number of Shares to be redeemed to 10% of the outstanding Shares in issue on that Dealing Day, in which case all redemption requests will be reduced pro rata to the size of the request. The balance of the Shares in respect of which redemption requests have been received shall be redeemed on the next succeeding Dealing Day, subject to the same 10% restriction, and in priority to redemption requests received in respect of the next Dealing Day.

9.2 Minimum Holding Requirement

A Shareholder will not be entitled to redeem only part of his holding of Shares if due to such redemption, his holding would be reduced to less than the Minimum Holding requirement. A request for redemption which would result in a shareholding of less than the Minimum Holding requirement will be deemed a request for redemption of all the Shareholder's

outstanding shareholdings. The Minimum Holding requirement for all Classes of Shares is US\$1,000.

9.3 Dealing Deadline and Pricing Basis

As Shares are sold on a forward pricing basis, the selling price per Share shall not be ascertainable at the time of submission of a redemption request.

Under normal circumstances, all requests for redemptions received by the Singapore Representative by the Dealing Deadline on a Dealing Day will be processed on the same Dealing Day at the redemption price per Share applicable for that Dealing Day.

All requests for redemptions received after the Dealing Deadline on a Dealing Day or any time on a day that is not a Dealing Day will be processed on the next following Dealing Day at the redemption price per share applicable for that Dealing Day.

The redemption price per Share applicable for a Dealing Day is the Net Asset Value per Share of the relevant Class calculated at the Valuation Point on that Dealing Day.

9.4 Numerical Example of Calculation of Redemption Proceeds

The following are illustrations of the redemption proceeds which a Shareholder will receive based on a redemption of 1,000.00 Shares with different holding periods and notional redemption prices of US\$11.00[^] and US\$9.00[^] respectively:

Class A / AX / N / W Shares

Assuming that the original subscription price of the Shares being redeemed was US\$10.00 and the Net Asset Value per Class A (dis) Share is US\$11.00[^] per Class A / AX / N / W Share at the point of redemption:

e.g.	1,000.000	x	US\$11.00	=	US\$11,000.00
	Number of Class A / AX / N / W Shares redeemed		Net Asset Value Per Class A / AX / N / W Share		Net Redemption Proceeds

Class C Shares

Illustration 1: Investor requests for redemption of Class C Shares held for more than 12 months from date of purchase – no CDSC

Assuming that the original issue price of the Class C Shares being redeemed was US\$10.00 and the net asset value per Class C Share is US\$11.00[^] per Class C Share at the point of redemption:

e.g.	1,000.000	x	US\$11.00	=	US\$11,000.00
	Number of Class C Shares redeemed		Net asset value per Class C Share		Net redemption proceeds

Illustration 2: Investor requests for redemption of Class C Shares held for less than 12 months from date of purchase – CDSC of 1% imposed. CDSC is based on the net asset value of the Class C Shares being redeemed or the cost of the Shares when purchased, whichever is less.

Assuming that the original issue price of the Class C Shares being redeemed was US\$10.00 and the net asset value per Class C Share is US\$11.00[^] per Class C Share at the point of redemption:

e.g.	1,000.000	x	US\$11.00	=	US\$11,000.00	-	US\$100.00	=	US\$10,900.00
	Number of Class C Shares redeemed		Net asset value per Class C Share		Gross redemption proceeds		CDSC = 1% x 1000 x US\$10.00 (i.e. the original issue price)		Net redemption proceeds

Assuming that the original issue price of the Class C Shares being redeemed was US\$10.00 and the net asset value per Class C Share is US\$9.00[^] per Class C Share at the point of redemption:

e.g.	1,000.000	x	US\$9.00	=	US\$9,000.00	-	US\$90.00	=	US\$8,910.00
	Number of Class C Shares redeemed		Net asset value per Class C Share		Gross redemption proceeds		CDSC = 1% x 1000 x US\$9.00 (i.e. the redemption price)		Net redemption proceeds

[^]*Investors should note that the actual redemption price will vary in line with the Net Asset Value per Share of the relevant Class, which may be above or below the original subscription price. The above examples are for illustrative purposes only and are not a forecast or indication of any expectation of performance.*

9.5 Payment of Redemption Proceeds

Redemption proceeds will be paid within seven Singapore Business Days of the Dealing Day of the receipt and acceptance of the redemption request by the Singapore Representative unless the redemption of Shares has been suspended in accordance with paragraph 12 of this Singapore Prospectus. The Company is not required to issue payment in respect of a redemption of Shares until it receives payment for the issuing of those Shares. All redemption proceeds in respect of Shares acquired using SRS monies will be refunded to the investor's SRS account.

10. EXCHANGE OF SHARES

Shareholders may, under certain circumstances, exchange Shares of the Fund for shares or units of certain other investment funds offered by Templeton Asset Management Ltd. Information on the investment funds into which Shares may be exchanged, and details of

the procedure, terms and conditions for exchange may be obtained from Templeton Asset Management Ltd upon request.

11. OBTAINING PRICE INFORMATION

The indicative Net Asset Value and actual Net Asset Value of the Shares may be obtained from the Singapore Representative and will be published on the Singapore Representative's website (www.franklintempleton.com.sg) one Singapore Business Day after the relevant Dealing Day.

The Company and the Singapore Representative cannot and do not accept any responsibility for any error or delay on the part of the relevant publisher in publication or for any non-publication of prices.

12. SUSPENSION OF ISSUE, VALUATION AND REDEMPTION OF SHARES

The Directors may at any time, with the prior approval of the Depositary, temporarily suspend the issue, valuation, sale, purchase or redemption of Shares during:

- (a) any period when any organised exchange on which a substantial portion of the investments for the time being comprised in the Company are quoted, listed, traded or dealt in is closed otherwise than for ordinary holidays, or which dealings in any such organised exchange are restricted or suspended;
- (b) any period where, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Directors, the disposal or valuation of investments for the time being comprised in the Company cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interest of Shareholders;
- (c) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the Company or during any period when for any other reason the value of investments for the time being comprised in the Company cannot, in the opinion of the Directors, be promptly or accurately ascertained;
- (d) any period when the Company is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the Company, or the transfer or payment of the funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices;
- (e) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors, have an adverse impact on the Company or the remaining Shareholders in that Company; or
- (f) any period when the Master Fund has suspended the continuous offering of Common Shares or suspended or postponed a repurchase of Common Shares.

Further details are set out under the heading “**MANDATORY REDEMPTION OF SHARES - Temporary Suspension of Dealings**” in the Ireland Prospectus.

13. PERFORMANCE OF THE FUND

13.1 Past performance of the Fund (as of 31 January 2024)

Share Class / Benchmark	Inception Date	1 Year	3 Years (average annual compounded returns)	5 Years (average annual compounded returns)	10 Years (average annual compounded returns)	Since Inception (average annual compounded returns)
Class A (dis) Shares	15/10/2002	9.99%	5.75%	2.35%	2.33%	3.04%
Credit Suisse Leveraged Loan Index		11.08%	5.47%	5.25%	4.45%	5.13%
Class A (acc) Shares	27/02/2004	9.96%	5.75%	2.33%	2.32%	2.79%
Credit Suisse Leveraged Loan Index		11.08%	5.47%	5.25%	4.45%	4.74%
Class AX (dis) Shares	12/12/2000	9.77%	5.52%	2.15%	2.13%	2.79%
Credit Suisse Leveraged Loan Index		11.08%	5.47%	5.25%	4.45%	4.79%
Class A (dis) SGD-H1 Shares	27/02/2015	8.23%	5.11%	1.70%	N/A	2.01%
Credit Suisse Leveraged Loan Index		11.08%	5.47%	5.25%	4.45%	4.64%
Class A (dis) EUR-H1 Shares	27/02/2015	7.81%	4.03%	1.84%	N/A	1.35%
Credit Suisse Leveraged Loan Index		11.08%	5.47%	5.25%	4.45%	4.64%
Class A (dis) RMB-H1 Shares	27/02/2015	7.10%	5.68%	2.64%	N/A	3.84%
Credit Suisse Leveraged Loan Index		11.08%	5.47%	5.25%	4.45%	4.64%
Class C (dis) Shares	15/05/2000	12.42%	5.94%	2.14%	1.83%	2.46%
Credit Suisse Leveraged Loan Index		11.08%	5.47%	5.25%	4.45%	4.81%

Share Class / Benchmark	Inception Date	1 Year	3 Years (average annual compounded returns)	5 Years (average annual compounded returns)	10 Years (average annual compounded returns)	Since Inception (average annual compounded returns)
Class N (dis) Shares	15/12/2004	9.14%	5.03%	1.63%	1.63%	2.06%
Credit Suisse Leveraged Loan Index		11.08%	5.47%	5.25%	4.45%	4.73%
Class N (acc) Shares	15/12/2004	9.20%	5.01%	1.63%	1.61%	2.06%
Credit Suisse Leveraged Loan Index		11.08%	5.47%	5.25%	4.45%	4.73%
Class W (acc) Shares	26/02/2010	13.69%	7.13%	3.20%	2.91%	3.53%
Credit Suisse Leveraged Loan Index		11.08%	5.47%	5.25%	4.45%	5.03%
Class W (dis) Shares	08/12/2010	13.68%	7.15%	3.29%	2.96%	3.38%
Credit Suisse Leveraged Loan Index		11.08%	5.47%	5.25%	4.45%	4.82%

Share Classes whose performance numbers are not set out in the above table do not have a 1-year track record.

The Company has changed the benchmark from Credit Suisse Leveraged Loan Index to Morningstar US Leveraged Loan Index with effect from 1 March 2024 due to the uncertainty surrounding UBS Group AG's ("UBS") plans to support the legacy Credit Suisse Index business and the Company believes it is prudent to change the benchmark to avoid any unforeseen actions taken by UBS in 2024. The Morningstar US Leveraged Loan Index was selected as the replacement benchmark as more than half of the 40 major Floating Rate funds listed on Morningstar are benchmarked to the Morningstar US Leveraged Loan Index.

Notes:

1. *Performance calculations of the Fund are based on Net Asset Value to Net Asset Value pricing which takes into account the 3% sales charge, and on the assumption that dividends are re-invested, in the underlying currency of the respective Classes.*
2. *Investors should note that the past performance of the Fund is not necessarily indicative of the future performance of the Fund.*

13.2 Expense Ratio and Turnover Ratio

The annual expense ratios of the Classes of Shares for the period from 1 August 2022 to 31 July 2023 are as follows:-

Share Class	Annual Expense Ratio
Class A (dis) Shares	0.51%
Class A (dis) HKD Shares	0.53%
Class A (acc) Shares	0.52%
Class AX (dis) Shares	0.71%
Class A (dis) SGD-H1 Shares	0.51%
Class A (dis) EUR-H1 Shares	0.51%
Class A (dis) RMB-H1 Shares	0.51%
Class C (dis) Shares	1.31%
Class C (acc) Shares	1.32%
Class N (dis) Shares	1.21%
Class N (acc) Shares	1.22%
Class W (acc) Shares	0.21%
Class W (dis) Shares	0.21%

There is no turnover ratio for the Fund for the financial year ended 31 July 2023 as the Fund is a feeder fund that invests all or substantially all of its assets into the Master Fund. The turnover ratio of the Master Fund for the period from 1 August 2022 to 31 July 2023 is 11.36%.

Notes:

1. *The expense ratio is calculated in accordance with Investment Management Association of Singapore's (IMAS) guidelines on the disclosure of expense ratios and based on the Fund's latest audited accounts.*
2. *The following expenses are excluded from the calculation of the expense ratio:-*
 - (a) *brokerage and other transaction costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);*
 - (b) *foreign exchange gains/losses of the Fund, whether realised or unrealised;*
 - (c) *front-end loads, backend loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;*
 - (d) *tax deducted at source or arising out of income received including withholding tax;*
 - (e) *interest expense; and*
 - (f) *dividends and other distributions paid to Shareholders.*
3. *The turnover ratio is calculated based on the lesser of purchases or sales expressed as a percentage over average net asset value, i.e., average daily asset value, over the same period used for calculation of the expense ratio. In accordance with the U.S. Securities and Exchange Commission methodology, short term purchases/sales have been excluded.*

14. SOFT COMMISSIONS

When appropriate under its discretionary authority and consistent with its duty to obtain best execution, the Investment Manager may direct brokerage transactions to brokers who

provide the Investment Manager with research and brokerage products and services. The brokerage commissions that are used to acquire research in these types of arrangements are known as “soft dollars”. The Investment Manager uses soft dollars to acquire both proprietary and third party research.

The receipt of research in exchange for soft dollars benefits the Investment Manager by allowing the Investment Manager, at no cost to it, to supplement its own analyses and gain access to persons having special expertise on certain companies, industries, areas of economy and market factors. The Investment Manager also believes such research benefits clients. Research and brokerage services acquired with soft dollars may include reports and publications on the economy, industries, sectors and individual companies or issuers; statistical reports and information on the economy, issuers, trades; computer hardware and software related to research, trading and settlement processes; consulting services for developing research based hardware and software; trade quality analysis, accounting and tax law interpretations; political analyses; reports on legal development affecting portfolio securities; conferences and seminars with information on technical market actions, credit analysis; on-line quotation, trading and settlement systems; risk measurements; analyses of corporate responsibility issues; news services; portfolio modelling and portfolio compliance systems; and financial and market database services and proxy voting services.

15. CONFLICTS OF INTEREST

The potential conflicts of interest are set out under the heading “**GENERAL — Conflicts of Interest**” in the Ireland Prospectus.

16. REPORTS

16.1 Financial Year End

The financial year end of the Fund is 31 July.

16.2 Annual Reports and Half-Yearly Reports

An annual report of the Fund containing the audited annual accounts for the Fund in respect of the preceding financial year will be sent to Shareholders (whether by post or electronic means) within four months of the financial year end.

A half-yearly report containing unaudited half-yearly accounts for the Fund prepared up to 31 January in each year will be sent to Shareholders (whether by post or electronic means) within two months of the end of the relevant half-year.

The annual report, half-yearly report or any other Shareholder communication may be sent to Shareholders by electronic mail or other electronic means of communication.

Copies of the annual reports and half-yearly reports will also be available at the office of the Singapore Representative at 7 Temasek Boulevard, #38-03, Suntec Tower One, Singapore 038987 during normal Singapore business hours.

17. CERTAIN SINGAPORE TAX CONSIDERATIONS

Investors should inform themselves of and, where appropriate, take advice on the taxes applicable to the subscription, holding and redemptions of Shares in the Fund, distributions or deemed distributions of the Fund, capital gains within the Fund, whether or not realised, income received or accrued or deemed received within the Fund etc. under the laws of the place of their operations, domicile, residence, citizenship or incorporation. Investors who are in doubt of their tax position should consult their own independent tax advisers.

18. QUERIES AND COMPLAINTS

For any queries or complaints regarding the Fund, investors may contact the Singapore Representative at:

Address : 7 Temasek Boulevard
#38-03 Suntec Tower One
Singapore 038987
Telephone : (65) 6337 3933
Fax : (65) 6332 2295
Email : cdsspr@franklintempleton.com

19. OTHER MATERIAL INFORMATION

19.1 Dividend Policy

Details of the dividend policy for the Fund are set out under the heading “**RISK FACTORS — Dividend Distribution Policy of the Company**” in the Ireland Prospectus.

19.2 Mandatory Redemption of Shares

Details of the circumstances when the Fund may take steps to liquidate its holdings in the Master Fund with a view to compulsorily redeeming all outstanding Shares and when the Directors may compulsorily redeem the Shares of a Shareholder are set out under the heading “**MANDATORY REDEMPTION OF SHARES**” in the Ireland Prospectus.

19.3 Transfer of Shares

Details of the conditions for, and restrictions on, the transfer of Shares are set out under the heading “**MANDATORY REDEMPTION OF SHARES — Transfer of Shares**” in the Ireland Prospectus.

19.4 Financial Derivative Instruments (“**FDIs**”)

(a) Use of FDIs

The Fund invests up to 100% of its net asset value in shares of the Master Fund. The Master Fund may employ investment techniques and instruments for efficient portfolio management of the assets of the Master Fund including hedging against market movements, currency exchange or interest rate risks under the conditions and within the limits set out under the heading “**INVESTMENT TECHNIQUES**” in the Ireland Prospectus.

The Master Fund may enter into credit default swaps, including loan credit default swaps and interest rate swaps. The use of such derivative transactions may allow the Master Fund to obtain net long or net short exposures to selected interest rates, durations or credit risks. The Master Fund may use these interest rate or credit-related derivative transactions for the purposes of enhancing returns, increasing liquidity, gaining exposure to particular instruments or interest rates in more efficient or less expensive ways and/or hedging risks relating to changes in interest rates, credit risks and other market factors. The Master Fund currently does not intend to enter into currency swaps.

For credit default swaps, the “buyer” of the credit default swap agreement is obligated to pay the “seller” a periodic stream of payments over the term of the agreement in return for a payment by the “seller” that is contingent upon the occurrence of a credit event with respect to an underlying reference debt obligation. Generally, a credit event means bankruptcy, failure to timely pay interest or principal, obligation acceleration, or modified restructuring of the reference debt obligation. The contingent payment by the seller generally is the face amount of the debt obligation in exchange for the physical delivery of the reference debt obligation or a cash payment equal to the then current market value of that debt obligation. By way of example, the investment manager might “buy” credit default swaps to help protect against the risk of default by the issuer of one or more debt securities held by the Master Fund. Alternatively, the Master Fund may “sell” a credit default swap to gain exposure to an asset class more efficiently or less expensively than by purchasing the related debt security outright.

Interest rate swaps involve the exchange by the Master Fund with another party of their respective commitments or rights to pay or receive interest, such as an exchange of fixed rate payments for floating interest rate payments.

Please refer to the sub-headings “**Use of Credit Default and Interest Rate Swaps**” and “**Use of Fixed Income Total Return Swaps**” under the heading “**INVESTMENT TECHNIQUES**” in the Ireland Prospectus for more information.

(b) Risks and Limits on use of FDIs

Interest rate and credit default swaps may be bought or sold by the Master Fund on a Recognised Market or off-exchange on an over-the-counter market (“**OTC Contracts**”). OTC Contracts are permitted under legislation subject to the following additional requirements (a) the OTC Contracts must not expose the Master Fund to risks which it could not otherwise assume (e.g., gain exposure to an instruments/issuers to which the Master Fund cannot have a direct exposure or subject the Master Fund to potential loss greater than that which it could obtain in the cash market); (b) the obligations of the Master Fund under the OTC Contracts must, at all times, be held in liquid assets or readily marketable securities; (c) the counterparty must have a credit rating of A2 (or equivalent) or better, or if unrated, have, in the opinion of the Investment Adviser of the Master Fund, an implied rating of A2 (or equivalent) or better. Alternatively, an unrated counterparty is acceptable

if the Master Fund is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2 (or equivalent) or better; (d) exposure to the counterparty (which must take account of all exposures which the Master Fund might have to the counterparty), must not exceed 10% of the Master Fund's net asset value (or 30% of the Master Fund's net asset value in the case of a Relevant Institution (as defined below)). Acceptable collateral, as described under **"Use of Repurchase Agreements/Reverse Repurchase Agreements"** in the Ireland Prospectus, may be provided by a counterparty in order to reduce the Master Fund's exposure to that counterparty; (e) the Investment Adviser of the Master Fund must be satisfied that the counterparty has agreed to value the transaction at least weekly and to close out the transaction at its request at a fair value; and (f) the periodic reports of the Master Fund must provide information on the OTC Contracts entered into during the reporting period, the names of the counterparties and the resulting amount of commitments. The net maximum potential exposure created by such OTC Contracts, together with any other borrowings of the Master Fund shall not exceed 25% of the net assets of the Master Fund.

(c) Exposure to FDIs

The total exposure of the Master Fund, including but not limited to its exposure from the use of any derivative instruments, must not exceed the total net asset value of the Master Fund.

The Master Fund adopts the commitment approach in calculating its exposure to derivative instruments.

(d) Risk Management Process

The Company, the AIFM and the Investment Manager of the Fund will ensure that the risk management and compliance procedures and controls adopted are adequate and have been or will be implemented and that they have the necessary expertise to control and manage the risks relating to the use of financial derivatives.

19.5 Repurchase Transactions and Securities Lending

(a) Use of Repurchase Agreements/Reverse Repurchase Agreements

The Master Fund may enter into repurchase agreements with respect to its permitted investments. In a repurchase agreement transaction, the Master Fund purchases a U.S. government security from a bank or broker-dealer. The agreement provides that the bank or broker-dealer will repurchase the security at an agreed-upon price and date. The bank or broker-dealer must transfer to the Master Fund's account collateral consisting of cash or securities with an initial value, including any earned but unpaid interest, equal to at least 102% of the dollar amount invested by the Master Fund in each repurchase agreement.

The Master Fund may enter into repurchase or reverse repurchase agreements ("**repo contracts**") only in accordance with normal market practice and provided

that collateral obtained under the repo contract is in the form of cash or liquid securities and satisfies the conditions set out under the sub-heading “**Use of Repurchase Agreements/Reverse Repurchase Agreements**” in the Ireland Prospectus.

The Investment Adviser of the Master Fund has counterparty selection policies and control measures to manage the credit risks of counterparties of repo contracts which shall include, amongst other considerations, fundamental creditworthiness (e.g. ownership structure, financial strength) and commercial reputation of specific legal entities in conjunction with the nature and structure of proposed trading activities, external credit ratings of the counterparty and legal status of the counterparty. The counterparty of repo contracts must be financial institutions which are subject to ongoing prudential regulation and supervision. The Master Fund may only enter into repo contracts with counterparties which have a minimum credit rating of A2 or equivalent or are deemed by the Master Fund to have an implied rating of A2. Alternatively, an unrated counterparty is acceptable where the Master Fund is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2 or equivalent. **The Master Fund may enter into repo contracts which may constitute up to 100% of the Master Fund’s total net assets in a temporary defensive investment situation.**

Any counterparty to the repo contracts is not expected to be an affiliate of the Depositary of the Master Fund or Investment Adviser of the Master Fund.

Risk

The Master Fund may engage in collateralised repurchase transactions / reverse repurchase agreements, where there is a risk that the counterparty defaults and the collateral received may be less than the cash placed out under the agreement, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit ratings of the issuers of the collateral, or the illiquidity of the market in which the collateral is traded. In addition, locking cash in transactions of excessive size or duration, delays in recovering cash placed out, or difficulty in getting access to collateral may restrict the ability of the Master Fund to meet sale requests, security purchases, or, more generally, reinvestment.

Revenue

Any incremental income generated from repo contracts will be accrued to the Master Fund.

Collateral

The conditions relating to collateral received by the Master Fund, and the reuse of such collateral, are described under “**Collateral Policy**” and “**Reuse of Collateral**” in the Ireland Prospectus.

(b) Lending of Portfolio Securities

The Master Fund may from time to time lend its portfolio securities to qualified securities dealers or other institutional investors, which may include treasury securities, and any other securities issued or fully guaranteed by the US Government or any agency, instrumentality or establishment of the US Government and any securities that are principally traded, cleared or settled within the US. To the extent that the Master Fund engages in securities lending, the Master Fund will limit such loans to a value of 33⅓% of the Master Fund's total assets, measured at the time of the most recent loan. This limitation is a fundamental policy, which means it may not be changed without the approval of the holders of a majority of the Common Shares.

The conditions applicable to the collateral obtained under securities lending agreements in respect of U.S. securities are identical to those in relation to repo contracts and are described under “**Use of Repurchase Agreements/Reverse Repurchase Agreements**” above. However, where the Master Fund enters securities lending arrangements in respect of non-U.S. securities, the collateral must be equal to at least 105% of the market value of the securities loaned.

The Investment Adviser of the Master Fund has counterparty selection policies and control measures to manage the credit risks of counterparties of securities lending agreements which shall include, amongst other considerations, fundamental creditworthiness (e.g ownership structure, financial strength) and commercial reputation of specific legal entities in conjunction with the nature and structure of proposed trading activities, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, country of origin of the counterparty and legal status of the counterparty. The counterparty of securities financing transactions must be financial institutions which are subject to ongoing prudential regulation and supervision. The Master Fund may only enter into securities lending agreements with counterparties which have a minimum credit rating of A2 or equivalent or are deemed by the Master Fund to have an implied rating of A2. Alternatively, an unrated counterparty is acceptable where the Master Fund is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A2 or equivalent.

Risk

In case of default, bankruptcy or insolvency of the borrower of securities lent by the Master Fund, there is a risk of delay in recovery of the securities (which may restrict the ability of the Master Fund to meet delivery obligations under security sales or payment obligations arising from sale requests) or even the risk of loss of rights to the collateral received, which risks are mitigated by a careful creditworthiness analysis of borrowers to determine their degree of risk of becoming involved in insolvency/bankruptcy proceedings within the timeframe contemplated by the loan.

Conflicts of Interest

No conflicts of interest to note. The investment manager of the Master Fund does not intend to lend the securities of the Master Fund to its related corporations.

Revenue

The securities lending agent receives a fee of up to 10% of the gross revenue generated as a result of the lent securities for its services, the remainder of the revenue being received and retained by the Master Fund.

Securities Lending Agent

To the extent that the Master Fund engages in securities lending it may appoint a securities lending agent which may receive a fee in relation to its securities lending activities. Any such securities lending agent is not expected to be an affiliate of the Depository of the Master Fund or Investment Adviser of the Master Fund. Any operational costs arising from such securities lending activities shall be borne by the securities lending agent out of its fee.

Please refer to the sub-headings “**Use of Repurchase Agreements/Reverse Repurchase Agreements**” and “**Lending of Portfolio Securities**” under the heading “**INVESTMENT TECHNIQUES**” in the Ireland Prospectus for more information.

19.6 Risk Management Process and Liquidity Management

The AIFM employs a risk management process which enables it to monitor and measure at any time the risk of the positions of the Company.

The AIFM maintains a liquidity management process to monitor the liquidity risk of the Company, which includes, among other tools and methods of measurement, the use of stress tests under both normal and exceptional liquidity conditions. The liquidity management systems and procedures allow the AIFM to apply various tools and arrangements necessary to ensure that the portfolio of the Company is sufficiently liquid to normally respond appropriately to redemption requests. In normal circumstances, redemption requests will be processed as set out in the Ireland Prospectus.

Other arrangements may also be used in response to redemption requests, including the temporary suspension or deferral of such redemption requests in certain circumstances or use of similar arrangements which, if activated, will restrict the redemption rights investors benefit from in normal circumstances as set out below under the "Temporary Suspension of Dealings" section in the Ireland Prospectus.

Upon the request of Shareholders, the AIFM will provide further details regarding the risk management process and liquidity management.

APPENDIX
INVESTMENT CONSIDERATIONS

Fundamental Investment Policies of the Master Fund

The Master Fund has adopted the following restrictions as fundamental policies. As a matter of fundamental policy, the Master Fund may not:

1. Borrow money, except to the extent permitted by the 1940 Act, or any rules, exemptions or interpretations thereunder that may be adopted, granted or issued by the SEC.
2. Act as an underwriter except to the extent the Master Fund may be deemed to be an underwriter when disposing of securities it owns or when selling its own shares.
3. Make loans if, as a result, more than 33 $\frac{1}{3}$ % of its total assets would be lent to other persons, including other investment companies to the extent permitted by the 1940 Act or any rules, exemptions or interpretations thereunder that may be adopted, granted or issued by the SEC. This limitation does not apply to (1) the lending of portfolio securities, (2) the purchase of debt securities, other debt instruments, loan participations and/or engaging in direct corporate loans in accordance with its investment goals and policies, and (3) repurchase agreements to the extent the entry into a repurchase agreement is deemed to be a loan.
4. Invest more than 25% of its net assets in securities of issuers in any one industry (other than securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities or securities of other investment companies), except that, under normal market conditions, the Master Fund will invest more than 25% of its net assets in securities of companies operating in the industry group consisting of financial institutions and their holding companies, including commercial banks, thrift institutions, insurance companies and finance companies. For the purposes of this restriction, the Fund currently considers such companies to include the borrower, the agent bank and any intermediate participant.
5. Purchase or sell real estate unless acquired as a result of ownership of securities or other instruments and provided that this restriction does not prevent the Master Fund from (i) purchasing or selling securities or instruments secured by real estate or interests therein, securities or instruments representing interests in real estate or securities or instruments of issuers that invest, deal or otherwise engage in transactions in real estate or interests therein, and (ii) making, purchasing or selling real estate mortgage loans.
6. Purchase or sell physical commodities, unless acquired as a result of ownership of securities or other instruments and provided that this restriction does not prevent the Master Fund from (i) engaging in transactions involving currencies and futures contracts and options thereon or (ii) investing in securities or other instruments that are secured by physical commodities.
7. Issue senior securities, except to the extent permitted by the 1940 Act or any rules, exemptions or interpretations thereunder that may be adopted, granted or issued by the SEC.
8. Purchase the securities of any one issuer (other than the U.S. government or any of its agencies or instrumentalities or securities of other investment companies, whether registered

or excluded from registration under Section 3(c) of the 1940 Act) if immediately after such investment (a) more than 5% of the value of the Master Fund's total assets would be invested in such issuer or (b) more than 10% of the outstanding voting securities of such issuer would be owned by the Master Fund, except that up to 25% of the value of the Master Fund's total assets may be invested without regard to such 5% and 10% limitations.

If a percentage restriction is met at the time of investment, a later increase or decrease in the percentage due to a change in the value of portfolio securities or the amount of assets will not be considered a violation of any of the foregoing restrictions, except that with respect to borrowing, if the borrowing exceeds the Master Fund's percentage restriction on borrowing, the Master Fund will reduce its borrowing within three days to no more than the percentage restriction.

Notwithstanding the investment restrictions above, for such time as the Master Fund remains authorised by the SFC, the Investment Adviser of the Master Fund, Franklin Advisers, Inc., may not obtain a rebate on any fees or charges levied by a collective investment scheme into which the Master Fund invests, or by the management company of such an underlying scheme.

Notwithstanding the Fundamental Investment Policies of the Master Fund outlined above, the Investment Adviser of the Master Fund has entered into a side letter to the effect that the investment objectives and policies of the Master Fund will be carried out in accordance with the following investment and borrowing restrictions:

- (a) The Master Fund may not invest more than 10% of its net assets in securities which are not listed, traded or dealt in on Recognised Markets.
- (b) Subject to (c) and (d) below, the Master Fund may not invest more than 10% of its net assets in all tranches of term loans and all other securities issued by a single issuer. Related companies/institutions are regarded as a single issuer for the purpose of this restriction.
- (c) The Master Fund may not maintain more than 10% of its net assets on deposit with any one institution. This limit is increased to 30% for deposits with, or securities evidencing deposits issued by, or securities guaranteed by; (i) an EU credit institution; (ii) a bank authorised in a member state of the European Free Trade Association (EFTA); (iii) a bank authorised by a signatory state (other than an EU Member State of EFTA) to the Basle Capital Convergence Agreement of July 1998 (Canada, Japan, United States); or (iv) the Custodian of the Master Fund or a bank which is an affiliate of the Custodian of the Master Fund. Related companies and institutions are regarded as a single issuer for the purposes of this restriction.
- (d) The Master Fund may invest up to 100% of its net assets in different securities issued or guaranteed by any EU member state or any local authority of an EU member state or by Australia, Canada, Japan, New Zealand, Norway, Switzerland and the United States of America or by any of the following public international bodies of which one or more EU member states are members: the European Investment Bank, the Asian Investment Bank, the World Bank, Euratom, the European Union, the European Bank for Reconstruction and Development; the International Finance Corporation, the International Bank for Reconstruction and Development and the Inter-American Development Bank. In such

circumstances the Master Fund must hold security from at least six different issues with securities from any one issue not exceeding 30% of its net asset value.

- (e) For so long as the Company and the Master Fund remain authorised by the SFC, the Master Fund may not own more than 10% of any class of security issued by any single issuer, unless the issuer is an open-ended collective investment scheme. For the purposes of the first sentence of this restriction, a single class of securities of an issuer includes all tranches of term loans and other loans issued by that issuer. The Master Fund may not invest more than 20% of its net assets in another open-ended collective investment scheme. Where investment is made into another collective investment scheme managed by the same management company or by an associated or related company, the manager of the scheme in which the investment is being made will waive the preliminary/initial charge which it is entitled to charge for its own account in relation to the acquisition of units. If a commission is received by the Investment Adviser of the Master Fund by virtue of an investment in the shares of another collective investment scheme and that other collective investment scheme is managed by a related company then this commission will be paid into the property of the Master Fund.
- (f) The Master Fund shall not make short sales of securities or trade securities not owned by it or for its account or otherwise maintain a short position.
- (g) The borrowings of the Master Fund may not exceed 25% of its net asset value. Repurchase agreements and securities lending agreements used for efficient portfolio management purposes shall not be regarded as “borrowing” for the purposes of this limitation, however, any potential exposure created by over-the-counter contracts entered into by the Master Fund shall be aggregated with any borrowings for the purposes of this limitation.
- (h) The Master Fund may not invest more than 5% of its net assets in warrants.

Notwithstanding the investment restrictions above, and for such time as they remain authorised by the SFC, the Company and the Master Fund shall have regard to the investment restrictions set out in Appendix 1 and the disclosure regarding repurchase agreements and securities lending transactions under “Safekeeping Arrangements for Repurchase Agreements / Reverse Repurchase Agreements and Securities Lending Transactions” of the Ireland Prospectus.

The investment restrictions referred to above, excluding the restriction on borrowing, apply at the time of the purchase of the investments. If the limits set out above are exceeded for reasons beyond the control of the Master Fund, or as a result of the exercise of subscription rights, the Master Fund must adopt as a priority objective the remedying of that situation, taking due account of the interests of the Shareholders. For the avoidance of doubt the Master Fund will not take or seek to take legal or management control of the issuer of any of its underlying investments.

The above mentioned restrictions also apply to the Company in respect of its net assets, in particular the borrowings of the Company may not exceed 25% of its net asset value.

Provided always that not more than 20% of the value of the gross assets of the Company may be exposed to the creditworthiness or solvency of any one counterparty.

**FRANKLIN FLOATING RATE FUND PLC
ESTABLISHED IN IRELAND**

SINGAPORE PROSPECTUS

Signed:



Lim Seh Kuan
for and on behalf of

Joseph Carrier Director
of the Company

Fionnuala Doris
Director of the Company

Joseph Keane
Director of the Company

Joseph LaRocque
Director of the Company

Elinor Murray Director
of the Company

Jaspal Sagger
Director of the Company

Jane Trust
Director of the Company

Craig Tyle
Director of the Company