

Franklin Floating Rate Fund PLC



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CONTENTS

General Information	2
Investment Manager's Report	3
Schedule of Investments	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Net Assets Attributable to Shareholders	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Appendix A: Financial Statements of Franklin Floating Rate Master Trust	21

GENERAL INFORMATION

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Francis Ennis* (Irish)
 Gregory E. McGowan (U.S.)
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 Hans Wisser* (German)

*Independent Directors.

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Registered Number

316174

INVESTMENT MANAGER'S REPORT

Franklin Floating Rate Fund PLC – MD&A (31 January 2021)

Syndicated Bank Loan Market Overview

The loan market extended its rally following severe risk-off sentiment in the previous period as fiscal and monetary support improved investor sentiment. Technical conditions in the loan market strengthened, driven by a meaningful resurgence in collateralized loan obligation (CLO) issuance combined with more moderate retail fund outflows. The more favorable environment supported stronger demand for lower rated loans trading at deeper discounts to par. While the market experienced periodic bouts of volatility prior to the US presidential election and amid rising virus cases, loan prices rallied as election uncertainty dissipated and due to news of positive developments on the vaccine front.

For most of the period, outflows from loan retail vehicles continued as investors expected an extended period of low rates. However, flows remained more moderate compared to significant outflows in the previous period. Retail vehicle flows reversed course during December, marking the first month of positive net flows since January 2020. The turnaround in flows was initially driven by loan exchange traded funds, but inflows eventually spread to actively managed loan mutual funds as more investors looked to the asset class in response to rising Treasury yields and potential inflation. Technical conditions in the loan market remained robust as demand from CLOs also bolstered support for loan prices, as liability spreads tightened and CLO managers found value in loans that were still trading below par.

Amid strong demand from investors, new issuance picked up and included an increase in deals to finance acquisitions. More issuers flexed pricing tighter in syndication as many deals garnered strong interest. Toward the end of the period, supply and demand became more imbalanced, resulting in a majority of the market trading above par. Arrangers launched more repricing deals to reduce spreads on existing loans, after those deals were largely absent from the market for most of 2020. The primary market also saw an increase in opportunistic deals for second lien loans or those to finance dividends.

Default activity continued to rise at the beginning of the period as more issuers experienced impacts from the slowdown in economic activity, and the default rate by number of issuers was the highest in ten years. Defaults were primarily concentrated in industries that were more impacted by COVID-related declines in demand and shutdowns, including energy and retail. While the default rate gradually declined later in the period, levels continued to exceed historical averages. Despite the recovery in the market, bifurcation persisted between those in industries less impacted by the COVID crisis and those with limited revenue and cash flow prospects amid continued virus fears. However, the strength in demand significantly reduced the number of loans trading at deep discounts to par and credit rating downgrade activity significantly slowed down.

Investment Strategy

In the near-term, we expect technical conditions for the loan market to remain favorable as a fairly light forward calendar for new paper limits supply. We continue to anticipate robust investor demand for collateralized loan obligations (CLOs), especially as bank loans present an attractive alternative for investors looking for positively yielding assets. Longer-term, we remain constructive on the bank loan asset class. As we anticipate pandemic-induced macroeconomic headwinds to gradually dissipate throughout 2021, we are cautiously positioning ourselves not only in sectors with direct COVID-19 related exposures, but also in industries that will benefit from a cyclical recovery in the global economy. In general, we believe credit sectors should perform favorably as recent developments bode well for economic recovery into 2021, including the increased prospect of a second round of stimulus payments and further vaccine distribution. We continue to selectively add positions in the single-B rated credit tranche as we believe this tier offers a favorable risk/return profile.

Manager's Discussion

During the period under review, the fund returned 4.86%, underperforming its benchmark, the CS Leveraged Loan Index (CSLLI), which returned 7.26%. The Fund held a slight overweight in the upper tier segment of the market throughout the period, while upper tier loans in the index returned 3.82%, middle tier returned 7.07%, and lower tier returned 19.85%, according to the index. The fund's lack of exposure to select lower rated and lower price loans detracted from relative performance; however, portfolio performance was primarily driven by loan selection, particularly in a handful of investments undergoing restructuring or other transactions.

INVESTMENT MANAGER'S REPORT (CONTINUED)

Manager's Discussion (continued)

The top contributors to performance included issuers that were relatively large fund positions that benefited from previous and expected transactions, which caused their loans to trade higher. General Nutrition Centers, Inc. (a specialty retailer of nutritional supplements) contributed to performance as a bankruptcy court approved the sale of almost all of the company's assets, resulting in substantial recovery of the fund's loan positions. Utex Industries (a manufacturer and provider of sealing products) also contributed to performance as the company reached a restructuring agreement during the period, and the company benefited from an increase in oil prices.

Major detractors from performance included investments that had declined due to concerns about ultimate recovery values as they underwent reorganization or faced operational challenges. FGI Operating (a manufacturer of guns and ammunition) detracted from performance as the term loan was marked lower due to reduced recovery expectations while the company conducted an auction to sell its assets. 24 Hour Fitness (a fitness club owner and operator) detracted from performance as the company continued to be negatively impacted by club closures and worked on a reorganization plan.

During the period, we continued to invest in a diversified set of middle tier (B-rated) loans, while reducing higher priced, tighter spread upper tier (BB-rated) loans. We increased our weightings in the information technology and service sectors, while we reduced our weighting in retail. The fund continued to de-risk areas of the portfolio that we believed had elevated credit risk and high uncertainty, and we exited a position with exposure to the energy industry. During the period, we continued to add secured high yield bonds to increase potential income generation and principal appreciation, while maintaining settlement liquidity. We maintained our investments in the Franklin Floating Rate Income Fund and Franklin Liberty Senior Loan ETF, while adding the Invesco Senior Loan ETF toward the end of the period to reduce cash drag while maintaining loan exposure. The fund had no exposure to derivatives during the period.

Franklin Advisers, Inc.
Investment Manager

February 2021

SCHEDULE OF INVESTMENTS

as at 31 January 2021

Investments	Holding 1 August 2020	Purchases	Sales	Holding 31 January 2021	Fair Value USD '000	% of Net Asset Value
Investment Funds (31 July 2020: 100.17%)						
United States (31 July 2020: 100.17%)						
Franklin Floating Rate Master Trust	56,436,835	786,560	(10,867,020)	46,356,375	332,071	99.98
United States total					332,071	99.98
Total investments in Investment Funds (Cost: USD 402,569)					332,071	99.98

Currency Purchased	Amount Purchased	Currency Sold	Amount Sold	Counterparty	Maturity Date	Fair Value USD '000	% of Net Asset Value
Forward Currency Contracts							
CNH	694,460	USD	106,959	J.P. Morgan	22/02/2021	1	—
CNH	123,352	USD	19,001	Morgan Stanley	22/02/2021	— ²	—
CNH	130,581	USD	20,121	Citibank	22/02/2021	— ²	—
CNH	93,572	USD	14,423	Bank of America	22/02/2021	— ²	—
CNH	70,680	USD	10,882	Goldman Sachs	22/02/2021	— ²	—
CNH	66,469	USD	10,233	UBS	22/02/2021	— ²	—
CNH	49,339	USD	7,601	HSBC	22/02/2021	— ²	—
EUR	68,121	USD	82,407	Goldman Sachs	22/02/2021	— ²	—
EUR	66,894	USD	81,051	Morgan Stanley	22/02/2021	— ²	—
EUR	17,596	USD	21,300	UBS	22/02/2021	— ²	—
EUR	4,132	USD	5,000	Goldman Sachs	22/02/2021	— ²	—
EUR	3,496	USD	4,236	J.P. Morgan	22/02/2021	— ²	—
EUR	13,768	USD	16,707	Citibank	22/02/2021	— ²	—
EUR	6,318	USD	7,663	Barclays	22/02/2021	— ²	—
SGD	152,638	USD	114,700	UBS	22/02/2021	— ²	—
SGD	165,368	USD	124,304	Goldman Sachs	22/02/2021	— ²	—
SGD	89,662	USD	67,406	J.P. Morgan	22/02/2021	— ²	—
SGD	235,803	USD	177,425	HSBC	22/02/2021	— ²	—
SGD	33,961	USD	25,544	Morgan Stanley	22/02/2021	— ²	—
SGD	11,017	USD	8,287	BNP Paribas	22/02/2021	— ²	—
SGD	38,425	USD	28,917	Barclays	22/02/2021	— ²	—
Total unrealised gain on Forward Currency Contracts (31 July 2020: 0.00%)¹						1	—

Forward Currency Contracts							
SGD	207,246	USD	155,995	Citibank	22/02/2021	— ²	—
SGD	222,347	USD	167,422	Bank of America	22/02/2021	— ²	—
SGD	33,116	USD	25,000	Bank of America	22/02/2021	— ²	—
SGD	101,997	USD	77,000	HSBC	22/02/2021	— ²	—
Total unrealised loss on Forward Currency Contracts (31 July 2020: 0.00%)¹						—²	—

Total financial assets at fair value through profit or loss	332,072	99.98
Total financial liabilities at fair value through profit or loss	— ²	—
Cash and cash equivalent	375	0.11
Other assets and liabilities	(324)	(0.09)
Net asset value attributable to shareholders	332,123	100.00

¹ Prior year percentage of net asset value rounds to 0.00%.

² Investments which are less than USD 500 have been rounded down to zero.

STATEMENT OF COMPREHENSIVE INCOME

for the six month period to 31 January 2021

	Notes	Period ended 31 January 2021 USD'000	Period ended 31 January 2020 USD'000
Operating income			
Dividends income		9,148	25,832
Bank interest income		–	1
Expense cap reimbursement		56	176
Net gains/(losses) on financial assets/liabilities at fair value through profit or loss		8,270	(22,449)
Total investment income		17,474	3,560
Operating expenses			
Administration fees	9	(167)	(341)
AIFM fees	9	(343)	(1,039)
Audit fees		(15)	(12)
Depository fees	9	(18)	(32)
Directors' fees	9	(19)	(29)
Distribution fees	9	(539)	(1,261)
Legal fees		(25)	(6)
Shareholder maintenance fees	9	(320)	(729)
Other operating expenses		(115)	(172)
Total operating expenses		(1,561)	(3,621)
Net operating profit/(loss)		15,913	(61)
Finance costs (excluding increase/decrease in net assets attributable to shareholders from continuing operations)			
Distributions to shareholders	3	(5,166)	(11,524)
Total finance costs (excluding increase/decrease in net assets attributable to shareholders from continuing operations)		(5,166)	(11,524)
Net profit/(loss) before tax		10,747	(11,585)
Withholding tax		15	(3)
Net profit/(loss) after tax		10,762	(11,588)
Increase/(decrease) in net assets attributable to shareholders from continuing operations		10,762	(11,588)

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

STATEMENT OF FINANCIAL POSITION

As at 31 January 2021

	31 January 2021 USD'000	31 July 2020 USD'000
CURRENT ASSETS		
Financial assets at fair value through profit or loss	332,072	394,742
Cash and cash equivalents	375	133
Receivables		
Subscription of shares awaiting settlement	41	18
Dividends receivable	1,177	2,069
Expense cap reimbursement receivable	–	231
Total current assets	333,665	397,193
CURRENT LIABILITIES		
Payables		
Redemption of shares awaiting settlement	736	2,566
Administration fees payable	136	78
AIFM fees payable	63	125
Audit fees payable	40	25
Depository fees payable	24	13
Directors' fees payable	20	29
Distribution fees payable	173	113
Expense cap reimbursement payable	60	–
Legal fees payable	25	15
Shareholder maintenance fees payable	105	67
Other payables	160	91
Total current liabilities (excluding net assets attributable to shareholders)	1,542	3,122
Net asset value attributable to shareholders	332,123	394,071

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

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the six month period to 31 January 2021

	Period ended 31 January 2021 USD'000	Period ended 31 January 2020 USD'000
Net assets attributable to shareholders at the beginning of the period	394,071	992,344
Increase/(decrease) in net assets attributable to shareholders from continuing operations	10,762	(11,588)
Share transactions		
Proceeds from issue of redeemable shares	12,835	53,237
Payments on redemption of redeemable shares	(88,091)	(377,094)
Net income equalisation	(4)	(233)
Dividend reinvested	2,550	4,948
Increase/(decrease) in net assets resulting from share transactions	(72,710)	(319,142)
Net assets attributable to shareholders at the end of the period	332,123	661,614

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

STATEMENT OF CASH FLOWS

for the six month period to 31 January 2021

	Period ended 31 January 2021 USD'000	Period ended 31 January 2020 USD'000
Cash flows from operating activities:		
Increase/(decrease) in net assets attributable to shareholders from continuing operations	10,762	(11,588)
<i>Adjustment for:</i>		
Dividend income	(9,148)	(25,832)
Interest income	–	(1)
Distributions to shareholders	5,166	11,524
	6,780	(25,897)
Change in financial assets at fair value through profit or loss	62,670	393,698
Change in other receivables	231	(127)
Change in financial liabilities at fair value through profit or loss	–	(112)
Change in other payables	250	(269)
	69,931	367,293
Dividend received	10,040	27,203
Interest received	–	1
Net cash provided by operating activities	79,971	394,497
Cash flows from financing activities		
Proceeds from issue of redeemable shares ¹	15,358	57,573
Payments for redemption of redeemable shares	(89,921)	(440,576)
Distributions paid to shareholders	(5,166)	(11,524)
Net cash used in financing activities	(79,729)	(394,527)
Net increase/(decrease) in cash and cash equivalents	242	(30)
Cash and cash equivalents at the beginning of the period	133	179
Cash and cash equivalents at the end of the period	375	149

¹ Proceeds from issue of redeemable shares during the period includes dividend reinvestments of USD'000 2,550 (31 January 2020: USD'000 4,948) which are non-cash transactions.

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

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 January 2021

Introduction

The Company is an investment company with variable capital incorporated in the Republic of Ireland as a Public Limited Company on 1 December 1999, under the Companies Act 2014, with registered number 316174. Its Redeemable Shares (“RS”) are denominated in US dollars, other than the Class A (dis) SGD-H1 Shares, the Class A (dis) EUR-H1 Shares, the Class A (dis) RMB-H1 Shares and the Class A (dis) HKD shares. The Company is governed by the provisions of the European Union (Alternative Investment Fund Managers Directive) (“AIFMD”) Regulations 2013. The A (acc), A (dis), A (dis) EUR-H1, A (dis) RMB-H1, A (dis) SGD-H1, AX, B*, C (dis), N (acc), N (dis), W (acc)** and W (dis)** share classes were listed on the Euronext until 25 January 2021.

*The Company discontinued the sale of Class B shares with effect from 1 April 2016.

**The names of the Class Z (acc) and Class Z (dis) shares were changed to Class W (acc) and Class W (dis) shares with effect from 1 December 2020.

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

1. Accounting policies

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

(a) Basis of preparation

The financial statements have been prepared in accordance with the AIF Rulebook, the Companies Act 2014, Euronext Regulations and International Accounting Standard 34 (IAS 34), Interim Financial Reporting. The financial statements should be read in conjunction with the annual financial statements for the year ended 31 July 2020, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 July 2020, and corresponding interim financial statements for the period ended 31 January 2020, as described in those annual statements and interim statements respectively.

(b) Estimates and judgements

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

(c) Events during the period

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

2. Operating expenses

Audit fees solely relate to statutory audit fees. There were no other fees paid to PricewaterhouseCoopers in Ireland as the statutory auditor of the Company, as no other services were provided

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the period ended 31 January 2021

3. Distributions to holders of Redeemable Shares

The following distributions in USD were made by the Company for the period ended 31 January 2021.

Ex-dividend date	Payment date	A (dis) USD per share	A (dis) EUR-H1 EUR per share	A (dis) HKD HKD per share	A (dis) SGD-H1 SGD per share	A (dis) RMB-H1 RMB per share	AX USD per share	B USD per share	C (dis) USD per share	N (dis) USD per share	W (dis) USD per share
3 Aug 2020	10 Aug 2020	0.033207	0.035070	0.041031	0.036676	0.422648	0.033104	0.032942	0.033006	0.033593	0.037894
1 Sep 2020	9 Sep 2020	0.033319	0.035520	0.041149	0.036678	0.420455	0.033211	0.033028	0.033097	0.033687	0.038032
1 Oct 2020	8 Oct 2020	0.032913	0.036554	0.040674	0.036861	0.417743	0.032800	0.032602	0.032671	0.033258	0.037575
2 Nov 2020	9 Nov 2020	0.031973	0.035426	0.039577	0.035946	0.408590	0.031860	0.031646	0.031719	0.032291	0.036512
1 Dec 2020	8 Dec 2020	0.029747	0.032180	0.036743	0.033003	0.380464	0.029636	0.029415	0.029490	0.030024	0.033977
4 Jan 2021	11 Jan 2021	0.027673	0.029711	0.034238	0.030570	0.355635	0.027565	0.027342	0.027416	0.027914	0.031613

The following distributions in USD were made by the Company for the period ended 31 January 2020.

Ex-dividend date	Payment date	A (dis) USD per share	A (dis) EUR-H1 EUR per share	A (dis) HKD HKD per share	A (dis) SGD-H1 SGD per share	A (dis) RMB-H1 RMB per share	AX USD per share	B USD per share	C (dis) USD per share	N (dis) USD per share	W (dis) USD per share
1 Aug 2019	8 Aug 2019	0.039790	0.042506	–	0.045146	0.506108	0.038407	0.032385	0.034037	0.035371	0.047827
3 Sep 2019	10 Sep 2019	0.036278	0.038933	–	0.041177	0.478262	0.034961	0.029633	0.031039	0.032242	0.043570
1 Oct 2019	8 Oct 2019	0.038155	0.040597	0.009478	0.043068	0.505036	0.036801	0.031329	0.032775	0.034029	0.045766
1 Nov 2019	8 Nov 2019	0.043812	0.045098	0.052509	0.049078	0.556449	0.043466	0.042277	0.042613	0.043494	0.050339
2 Dec 2019	9 Dec 2019	0.030411	0.032272	0.018753	0.034409	0.385254	0.027891	0.017465	0.020097	0.021805	0.039058
2 Jan 2020	9 Jan 2020	0.044665	0.045858	0.055450	0.049624	0.566611	0.044561	0.044551	0.044580	0.045366	0.050865

4. Redeemable Shares and Share Capital

Authorised share capital

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

Subscriber shares

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

Redeemable Shares (“RS”)

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the period ended 31 January 2021

4. Redeemable Shares and Share Capital (continued)

Redeemable Shares ("RS") (continued)

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

The movement in RS for the period ended 31 January 2021 is presented below:

	Balance at the beginning of the period	Issued during the period	Redeemed during the period	Balance at the end of the period
Class A (acc)	9,548,091	131,971	(1,998,389)	7,681,673
Class A (dis)	14,991,229	1,250,042	(3,448,608)	12,792,663
Class A (dis) EUR-H1	23,750	148	–	23,898
Class A (dis) HKD	3,919	–	–	3,919
Class A (dis) RMB-H1	13,883	–	–	13,883
Class A (dis) SGD-H1	198,274	48,250	(77,320)	169,204
Class AX	4,996,078	132,771	(228,438)	4,900,411
Class B*	250,020	3,553	(175,628)	77,945
Class C (acc)	453,834	5,736	(185,309)	274,261
Class C (dis)	5,865,722	137,739	(945,918)	5,057,543
Class N (acc)	3,626,724	9,699	(1,087,495)	2,548,928
Class N (dis)	1,378,648	16,472	(250,366)	1,144,754
Class W (acc)**	1,097,832	80,124	(476,619)	701,337
Class W (dis)**	1,163,776	165,384	(455,111)	874,049

The movement in RS for the year ended 31 July 2020 is presented below:

	Balance at the beginning of the year	Issued during the year	Redeemed during the year	Balance at the end of the year
Class A (acc)	22,471,853	2,842,671	(15,766,433)	9,548,091
Class A (dis)	30,819,396	1,032,458	(16,860,625)	14,991,229
Class A (dis) EUR-H1	956,364	656,522	(1,589,136)	23,750
Class A (dis) HKD	–	3,919	–	3,919
Class A (dis) RMB-H1	13,883	–	–	13,883
Class A (dis) SGD-H1	588,787	38,257	(428,770)	198,274
Class AX	6,492,222	670,893	(2,167,037)	4,996,078
Class B*	379,778	33,411	(163,169)	250,020
Class C (acc)	2,062,786	36,122	(1,645,074)	453,834
Class C (dis)	10,857,389	368,759	(5,360,426)	5,865,722
Class N (acc)	9,822,176	99,049	(6,294,501)	3,626,724
Class N (dis)	3,255,905	61,105	(1,938,362)	1,378,648
Class W (acc)**	3,279,471	133,823	(2,315,462)	1,097,832
Class W (dis)**	1,395,331	405,431	(636,986)	1,163,776

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the period ended 31 January 2021

4. Redeemable Shares and Share Capital (continued)

Redeemable Shares ("RS") (continued)

Net assets attributable to shareholders

		31 January 2021	31 July 2020	31 July 2019
Class A (acc)				
Net asset value	USD '000	110,210	130,765	341,828
Net asset value per share	USD	14.35	13.70	15.21
Class A (dis)				
Net asset value	USD '000	90,461	103,991	251,807
Net asset value per share	USD	7.07	6.94	8.17
Class A (dis) EUR-H1				
Net asset value	EUR '000	184	181	8,201
Net asset value per share	EUR	7.72	7.62	8.57
Class A (dis) HKD				
Net asset value	HKD '000	34	34	–
Net asset value per share	HKD	8.74	8.57	–
Class A (dis) RMB-H1				
Net asset value	RMB '000	1,272	1,236	1,446
Net asset value per share	RMB	91.62	89.06	104.14
Class A (dis) SGD-H1				
Net asset value	SGD '000	1,337	1,539	5,434
Net asset value per share	SGD	7.90	7.76	9.23
Class AX				
Net asset value	USD '000	34,509	34,546	52,954
Net asset value per share	USD	7.04	6.91	8.16
Class B*				
Net asset value	USD '000	544	1,720	3,100
Net asset value per share	USD	6.98	6.88	8.16
Class C (acc)				
Net asset value	USD '000	2,584	4,098	20,821
Net asset value per share	USD	9.42	9.03	10.09
Class C (dis)				
Net asset value	USD '000	35,395	40,429	88,668
Net asset value per share	USD	7.00	6.89	8.17
Class N (acc)				
Net asset value	USD '000	32,522	44,325	134,166
Net asset value per share	USD	12.76	12.22	13.66
Class N (dis)				
Net asset value	USD '000	8,158	9,671	27,046
Net asset value per share	USD	7.13	7.02	8.31
Class W (acc)**				
Net asset value	USD '000	9,245	13,798	45,732
Net asset value per share	USD	13.18	12.57	13.94
Class W (dis)**				
Net asset value	USD '000	7,063	9,214	12,983
Net asset value per share	USD	8.08	7.92	9.30

*The Company discontinued the sale of Class B shares with effect from 1 April 2016. The Class B share subscriptions included represent direct reinvestments received as cash distributions by the nominee prior to determination to reinvest.

**The names of the Class Z (acc) and Class Z (dis) shares were changed to Class W (acc) and Class W (dis) shares with effect from 1 December 2020.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the period ended 31 January 2021

5. Taxation

Under current Irish law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains. However, Irish tax may arise on the occurrence of a “chargeable event”. A chargeable event includes any distribution payments to shareholders, any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period beginning with the acquisition of such shares. No Irish tax will arise on the Company in respect of chargeable events in respect of:

- a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended are held by the Company or where the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations; and
- certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

The Finance Act 2010 provides that the Revenue Commissioners may grant approval for investment funds marketed outside of Ireland to make payments to non-resident investors without deduction of Irish tax where no relevant declaration is in place, subject to meeting the “equivalent measures”. A fund wishing to receive approval must apply in writing to the Revenue Commissioners, confirming compliance with the relevant conditions.

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

6. Exchange rates

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

Currency	31 January 2021 Rate	31 July 2020 Rate
USD = 1		
CNH	6.4468	6.9894
EUR	0.8241	0.8490
HKD	7.7531	7.7503
SGD	1.3286	1.3738

7. Fair value estimation

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

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments that the entity can access at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the period ended 31 January 2021

7. Fair value estimation (continued)

- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

There were no transfers between levels during the period (31 July 2020: None).

The following table presents the investment in the Master Trust carried on the Statement of Financial Position by level within the valuation hierarchy as of 31 January 2021:

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Financial assets at fair value through profit or loss:				
Investment funds	—	332,071	—	332,071
Unrealised gains on forward currency contracts	—	1	—	1
Total	—	332,072	—	332,072

The following table presents the investment in the Master Trust carried on the Statement of Financial Position by level within the valuation hierarchy as of 31 July 2020:

	Level 1 USD '000	Level 2 USD '000	Level 3 USD '000	Total USD '000
Financial assets at fair value through profit or loss:				
Investment funds	—	394,720	—	394,720
Unrealised gains on forward currency contracts	—	22	—	22
Total	—	394,742	—	394,742

Cash and cash equivalents, bank overdrafts, other short-term investments in an active market and cash received as collateral and collateral due to counterparties are categorised as Level 1.

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

8. Efficient portfolio management

The Company may, for the purposes of efficient portfolio management and hedging of currency risks, enter into forward foreign currency contracts on the basis of "over the counter" (OTC) arrangements with highly rated financial institutions specialising in these types of transaction. Realised gains and losses on financial instruments held for efficient portfolio management purposes are included in the Statement of Comprehensive Income. Details of the open forward foreign currency contracts held as at 31 January 2021 are included in Schedule of investments on page 5.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the period ended 31 January 2021

9. Significant agreements and related party transactions

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

Investment Adviser to the Master Trust

The Investment Adviser to the Master Trust has agreed to waive any preliminary or initial charge that it may otherwise be entitled to receive in respect of any investment made by the Company in the Master Trust. The Master Trust pays an investment management fee to Franklin Advisers based on the average daily net assets. For the period ended 31 January 2021 and 31 January 2020, the effective investment management fee rate was 0.53% respectively of the Company’s average daily net assets (Up to and including USD 2.5 billion).

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

AIFM, Distributor and shareholder maintenance

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

During the period, the Company received USD 56,066 (31 January 2020: USD 176,439) in expense cap reimbursement from the AIFM. As at 31 January 2021, the Company was not due any expense cap reimbursement (31 July 2020: USD 231,000) from the AIFM.

Up to 30 November 2020 the Company paid to Franklin Templeton International Services S.à r.l. a fee up to 0.26% per annum of the average daily NAV of the Company in respect of management company and principal distribution services. From 1 December 2020 the Company will pay to Franklin Templeton International Services S.à r.l. a fee up to 0.06% per annum of the average daily NAV of the Company in respect of management company and principal distribution services. During the period the Company incurred AIFM fees of USD 342,624 (31 January 2020: USD 1,039,226) of which USD 62,887 (31 July 2020: USD 124,591) was payable at 31 January 2021.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the period ended 31 January 2021

9. Significant agreements and related party transactions (continued)

AIFM, Distributor and shareholder maintenance (continued)

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

During the period the Company incurred distribution fees of USD 538,670 (31 January 2020: USD 1,260,607) of which USD 533,136 (31 January 2020: USD 1,245,183) were earned by the Distributor and USD 5,534 (31 January 2020: USD 15,424) were earned by SG. Fees payable were USD 171,800 (31 July 2020: USD 111,625) and USD 1,455 (31 July 2020: USD 1,627) at 31 January 2021 to the Distributor and SG, respectively.

The Distributor earned shareholder maintenance fees of USD 320,290 (31 January 2020: USD 728,518) of which USD 104,535 (31 July 2020: USD 67,385) was payable at 31 January 2021.

The following distribution fees were incurred by the Company for the periods ended 31 January 2021 and 31 January 2020.

Class	Annual Fee	Period ended 31 January 2021 USD '000	Period ended 31 January 2020 USD '000
AX	0.50%	85	124
B	1.05%	6	15
C (acc)	1.10%	16	87
C (dis)	1.10%	203	399
N (acc)	1.00%	186	528
N (dis)	1.00%	43	108
		<u>539</u>	<u>1,261</u>

The following shareholder maintenance fees were incurred by the Company for the periods ended 31 January 2021 and 31 January 2020.

Class	Annual Fee	Period ended 31 January 2021 USD '000	Period ended 31 January 2020 USD '000
A (acc)	0.30%	175	408
A (dis)	0.30%	142	304
A (dis) EUR – H1	0.30%	—	8
A (dis) HKD	0.30%	—	—
A (dis) RMB – H1	0.30%	—	—
A (dis) SGD – H1	0.30%	2	5
B	0.25%	1	4
		<u>320</u>	<u>729</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the period ended 31 January 2021

9. Significant agreements and related party transactions (continued)

AIFM, Distributor and shareholder maintenance (continued)

Holders of B shares may be subject to a contingent deferred sales charge ("CDSC") payable to the Distributor; the amount of which is calculated by reference to the length of time the shares have been held by the relevant investor. The CDSC payable for the period ended 31 January 2021 was USD None (31 July: USD None). The amount of CDSC payable is calculated as follows:

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

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

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

Franklin Floating Rate Master Trust

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

The Master Trust is an open-ended investment company, which was incorporated in November 1999. At the period end the balances between the Company and the Master Trust are disclosed on the Statement of Financial Position of the Company and comprise the investments in securities, proceeds due from investments sold and dividends receivable. The total dividend received from the Master Trust is disclosed as Dividend Income in the Statement of Comprehensive Income. The registered office of the Master Trust, which is a US Investment Trust, is Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, U.S.A. and the Company holds 100% (31 July 2020: 100%) of the units of the Master Trust.

Administrator

J.P. Morgan Administration Services (Ireland) Limited is the Administrator for the Company. The Administrator charges a fee of 0.0350% of the NAV of the Company up to USD 100 million, 0.0200% between USD 100 million and USD 250 million, 0.0100% between USD 250 million and USD 500 million and 0.0050% when the NAV is above USD 500 million, subject to minimum fee of USD 24,000.

During the period the Administrator earned fees of USD 166,946 (31 January 2020: USD 341,331) of which USD 135,976 (31 July 2020: USD 77,648) was payable at 31 January 2021.

Depository

The Depository, J.P. Morgan Bank (Ireland) plc charges trustee/depository fees on a tiered basis (0.01% on the first USD 1 billion, 0.005% on the remainder), subject to a minimum fee of USD 30,000. These fees are accrued daily and paid monthly in arrears.

During the period the Depository earned fees of USD 18,207 (31 January 2020: USD 32,561) of which USD 24,171 (31 July 2020: USD 13,007) was payable at 31 January 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the period ended 31 January 2021

9. Significant agreements and related party transactions (continued)

Directors

Francis Ennis, David McGeough, Gregory E. McGowan and Hans Wisser are Directors of the Company.

Francis Ennis receives a Director's fee of USD 20,000 per annum from the Company. David McGeough and Hans Wisser each receive a Director's fee of USD 15,000 per annum from the Company. The remaining Director, Gregory E. McGowan, waives his entitlement to receive a Director's fee from the Company.

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

Connected Parties Compliance Statement

The Central Bank of Ireland AIF Rulebook section on 'Dealings by management company, depositary, AIFM, investment manager or by delegates or group companies of these' states that any transaction carried out with the Company by a management company, depositary, AIFM, investment manager or by delegates or group companies of these ("connected parties") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the shareholders.

The Board of Directors is satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out above are applied to all transactions with connected parties; and the Board of Directors is satisfied that transactions with connected parties entered into during the period complied with the obligations set out in this paragraph.

10. Transaction costs

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

There were no transaction costs which are separately identifiable incurred by the Company for the period ended 31 January 2021 (31 January 2020: None).

11. Soft commissions

There have been no soft commission arrangements affecting the Company during the period (31 January 2020: None).

12. Contingent liabilities

There are no contingent liabilities as of 31 January 2021 (31 July 2020: None).

13. Significant events during the period

The following amendments were made to the prospectus of the Company with effect from 1 December 2020:

- (i) all of the Class Z (acc) shares were renamed as Class W (acc) shares; and
- (ii) all of the Class Z (dis) shares were renamed as Class W (dis) shares.
- (iii) there has been a reduction in the fee payable to the AIFM from 0.26% to 0.06%.

Following the Company's annual general meeting on 13 January 2021, the necessary special resolution was passed in order to amend the Articles of Association of the Company (the "Articles"), in order to comply with the requirements of the Code issued by the SFC.

On 25 January 2021, the Directors of the Company applied to the Irish Stock Exchange plc, trading as Euronext, to remove the Company from the Official List and from trading on the regulated market of Euronext. Euronext agreed to delist the Company with immediate effect.

The Directors have been updated on the impact of COVID-19. Key service providers have advised that appropriate business continuity measures were in place, these include supporting staff in a working from home arrangement, with the eventual return to an office environment. Operations were not negatively impacted and the Company was managed within the established legal, regulatory, risk and operational infrastructure.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the period ended 31 January 2021

14. Significant events since period end

The following amendments were made to the prospectus of the Company with effect from 1 February 2021:

- (i) references to transactions by the Company involving connected persons, as referenced within the Definitions and Conflicts of Interest sections, have been included,
- (ii) enhancements of disclosure in relation to voting at any general meeting have been included in the Prospectus.
- (iii) updates to reflect that the Master Trust may no longer use collateralized debt obligations;
- (iv) updates to reduce the expected utilization of repo contracts from 20% to 5% and the maximum utilization from 100% to 20%; and
- (v) the insertion of certain new risk factors including a custodian risk, unforeseeable event risk, risks relating to debtor-in-possession financing, a Brexit risk and a LIBOR risk.
- (vi) updates have been made to the anti-money laundering section of the Prospectus.
- (vii) removal of the CDSC charge in respect of class B shares.

The following amendments were made to the prospectus of the Company with effect from no later than 10 March 2021:

- (i) Updates have been made to describe the investment adviser of the Master Trust framework for the integration of environmental, social and governance factors and sustainability risks into its investment process for the Master Trust.

The COVID-19 pandemic continues to cause significant financial market and social dislocation. Appropriate business continuity measures are in place at the AIFM of the Company and key service providers. Operations are not impacted at the time of issuance of this Semi-Annual report and the Company continues to be managed within the established operational infrastructure and risk parameters.

The ongoing COVID-19 pandemic is not anticipated to have significant impact on the future of the Company.

There have been no other significant events since period end.

15. Authorisation of the financial statements

The financial statements were authorised for issue by the Board of Directors on 22 March 2021.

APPENDIX A:
Franklin Floating Rate Master Trust
Unaudited Semi-Annual Report
for the six month period ended 31 January 2021

APPENDIX A

Franklin Floating Rate Master Series

Your Fund's Expenses

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

Actual Fund Expenses

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

Hypothetical Example for Comparison with Other Funds

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

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

Actual (actual return after expenses)			Hypothetical (5% annual return before expenses)		
Beginning Account Value 8/1/20	Ending Account Value 1/31/21	Expenses Paid During Period 8/1/20–1/31/21 ^{1,2}	Ending Account Value 1/31/21	Expenses Paid During Period 8/1/20–1/31/21 ^{1,2}	Net Annualized Expense Ratio ²
\$1,000	\$1,051.17	\$2.74	\$1,022.53	\$2.71	0.53%

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

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

APPENDIX A (CONTINUED)

Franklin Floating Rate Master Trust

Shareholder Information

Proxy Voting Policies and Procedures

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

Quarterly Statement of Investments

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST
Franklin Floating Rate Master Series

Financial Highlights

	Six Months Ended January 31, 2021 (unaudited)	2020	2019	Year Ended July 31, 2018	2017	2016
Per share operating performance (for a share outstanding throughout the period)						
Net asset value, beginning of period	\$6.99	\$8.18	\$8.54	\$8.69	\$8.47	\$8.65
Income from investment operations ^a :						
Net investment income	0.161 ^b	0.415	0.460	0.398	0.332	0.419
Net realized and unrealized gains (losses)	0.195	(1.141)	(0.378)	(0.156)	0.221	(0.184)
Total from investment operations	0.356	(0.726)	0.082	0.242	0.553	0.235
Less distributions from:						
Net investment income	(0.183)	(0.464)	(0.442)	(0.392)	(0.333)	(0.415)
Net asset value, end of period	\$7.16	\$6.99	\$8.18	\$8.54	\$8.69	\$8.47
Total return ^c	5.12%	(9.13)%	0.98%	2.73%	6.71%	3.07%
Ratios to average net assets^d						
Expenses before waiver and payments by affiliates	0.60%	0.58%	0.55%	0.55%	0.55%	0.55%
Expenses net of waiver and payments by affiliates ^e	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%
Net investment income	4.53%	5.41%	5.29%	4.60%	3.78%	5.03%
Supplemental data						
Net assets, end of period (000's)	\$332,071	\$394,720	\$1,054,679	\$1,760,544	\$2,090,626	\$1,363,955
Portfolio turnover rate	27.12%	16.80%	27.92% ^f	49.97%	67.00%	28.94%

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

^b Based on average daily shares outstanding.

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

^d Ratios are annualized for periods less than one year.

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

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

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

Statement of Investments, January 31, 2021 (unaudited)

	Country	Shares	Value	% of Net Assets
Common Stocks				
Aerospace & Defense				
^{a,b,c,d} Remington Outdoor Co., Inc.	United States	1,048,435	\$—	0.00
Industrial Machinery				
^b UTEX Industries, Inc.	United States	120,386	4,093,124	1.23
Leisure Facilities				
^b 24 Hour Fitness Worldwide, Inc.	United States	104,009	234,020	0.07
Oil & Gas Exploration & Production				
^b Samson Resources II LLC.	United States	155,501	829,287	0.25
Paper Products				
^{a,b,c,d} Appvion Operations, Inc.	United States	563,596	9,451,775	2.85
Trucking				
^{a,b} Onsite Rental Group Operations Pty. Ltd.	Australia	5,879,078	117,091	0.04
Total Common Stocks (Cost \$62,483,241)			14,725,297	4.44
Management Investment Companies				
Asset Management & Custody Banks				
^c Franklin Floating Rate Income Fund	United States	461,717	3,518,280	1.06
^c Franklin Liberty Senior Loan ETF	United States	957,785	23,810,535	7.17
Invesco Senior Loan ETF	United States	72,365	1,607,950	0.48
			28,936,765	8.71
Total Management Investment Companies (Cost \$30,253,006)			28,936,765	8.71
Preferred Stocks				
Leisure Facilities				
^b 24 Hour Fitness Worldwide, Inc.	United States	246,320	635,506	0.19
Total Preferred Stocks (Cost \$332,425)			635,506	0.19
Warrants				
Warrants				
Industrial Machinery				
^{a,b} UTEX Industries, Inc., 2/20/49	United States	321	573	0.00 ⁺
Total Warrants (Cost \$—)			573	0.00 ⁺
Principal Amount*				
Corporate Bonds				
Airlines				
^f Delta Air Lines, Inc. / SkyMiles IP Ltd., Senior Secured Note, 144A, 4.5%, 10/20/25	United States	1,250,000	1,336,219	0.40
Broadcasting				
^f Diamond Sports Group LLC / Diamond Sports Finance Co., Senior Secured Note, 144A, 5.375%, 8/15/26	United States	940,000	760,225	0.23
^f Univision Communications, Inc., Senior Secured Note, 144A, 5.125%, 2/15/25	United States	400,000	402,920	0.12
			1,163,145	0.35
Construction Materials				
^f Cemex SAB de CV, Senior Secured Bond, 144A, 5.2%, 9/17/30	Mexico	750,000	816,563	0.25

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

Statement of Investments, January 31, 2021 (unaudited)

	Country	Principal Amount*	Value	% of Net Assets
Corporate Bonds (continued)				
Oil & Gas Storage & Transportation				
^f Cheniere Energy, Inc., Senior Secured Note, 144A, 4.625%, 10/15/28	United States	450,000	\$471,375	0.14
Packaged Foods & Meats				
^f Chobani LLC / Chobani Finance Corp., Inc., Senior Secured Note, 144A, 4.625%, 11/15/28	United States	100,000	102,250	0.03
Specialty Stores				
^f Staples, Inc., Senior Secured Note, 144A, 7.5%, 4/15/26	United States	268,000	273,786	0.08
Trucking				
^{a,g} Onsite Rental Group Operations Pty. Ltd., PIK, 6.1%, 10/26/23	Australia	10,725,759	9,847,797	2.97
Wireless Telecommunication Services				
^f Vmed O2 UK Financing I plc, Senior Secured Bond, 144A, 4.25%, 1/31/31	United Kingdom	360,000	360,076	0.11
Total Corporate Bonds (Cost \$15,938,594)			14,371,211	4.33
^{h,i}Senior Floating Rate Interests				
Advertising				
Clear Channel Outdoor Holdings, Inc., Term Loan, B, 3.711%, (2-month USD LIBOR + 3.5%; 3-month USD LIBOR + 3.5%), 8/21/26	United States	1,303,401	1,274,478	0.38
Aerospace & Defense				
AI Convoy (Luxembourg) SARL, Facility USD Term Loan, B, 4.5%, (6-month USD LIBOR + 3.5%), 1/18/27	Luxembourg	1,231,693	1,234,642	0.37
^g Alloy FinCo Ltd., Facility Term Loan, B, 14%, PIK, (3-month USD LIBOR + 0.5%), 3/06/25	United Kingdom	2,966,667	1,489,148	0.45
^j Dynasty Acquisition Co., Inc., 2020 Term Loan, B1, 3.754%, (3-month USD LIBOR + 3.5%), 4/06/26	United States	1,060,278	1,021,578	0.31
B2, 3.754%, (3-month USD LIBOR + 3.5%), 4/06/26	United States	570,042	549,235	0.16
^{a,g,k} FGI Operating Co. LLC, Term Loan, 12%, PIK, (3-month USD LIBOR + 11%), 5/16/22	United States	11,574,019	6,088,019	1.84
			10,382,622	3.13
Airlines				
Allegiant Travel Co., Replacement Term Loan, 3.214%, (3-month USD LIBOR + 3%), 2/05/24	United States	4,066,319	3,983,976	1.20
Delta Air Lines, Inc. / SkyMiles IP Ltd., Initial Term Loan, 4.75%, (3-month USD LIBOR + 3.75%), 10/20/27	United States	956,180	1,004,170	0.30
JetBlue Airways Corp., Term Loan, 6.25%, (3-month USD LIBOR + 5.25%), 6/17/24	United States	428,660	444,825	0.14
Kestrel Bidco, Inc., Term Loan, 4%, (3-month USD LIBOR + 3%), 12/11/26	Canada	2,896,857	2,796,553	0.84
			8,229,524	2.48
Alternative Carriers				
Zayo Group Holdings, Inc., Initial Dollar Term Loan, 3.121%, (1-month USD LIBOR + 3%), 3/09/27	United States	623,553	620,824	0.19
Apparel, Accessories & Luxury Goods				
Champ Acquisition Corp., First Lien, Initial Term Loan, 5.76%, (3-month USD LIBOR + 5.5%; 6-month USD LIBOR + 5.5%), 12/19/25	United States	1,058,015	1,056,317	0.32
Application Software				
Blackboard, Inc., First Lien, Term Loan, B5, 7%, (3-month USD LIBOR + 6%), 6/30/24	United States	2,211,580	2,209,269	0.67

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

Statement of Investments, January 31, 2021 (unaudited)

	Country	Principal Amount*	Value	% of Net Assets
Senior Floating Rate Interests (continued)				
Application Software (continued)				
Ceridian HCM Holding, Inc., Initial Term Loan, 2.592%, (1-week USD LIBOR + 2.5%), 4/30/25	United States	692,911	\$692,738	0.21
Epicor Software Corp., Term Loan, B, 5.25%, (1-month USD LIBOR + 4.25%), 7/30/27	United States	571,510	575,190	0.17
Greeneden U.S. Holdings I LLC, Term Loan, B, 4.75%, (1-month USD LIBOR + 4%), 12/01/27	United States	1,251,541	1,257,799	0.38
LogMeIn, Inc., First Lien, Initial Term Loan, 4.881%, (1-month USD LIBOR + 4.75%), 8/31/27	United States	497,402	496,054	0.15
Mitchell International, Inc., First Lien, Amendment No. 2 New Term Loan Facility, 4.75%, (1-month USD LIBOR + 4.25%), 11/29/24	United States	997,500	1,000,408	0.30
ⁱ Mitchell International, Inc., First Lien, Initial Term Loan, 3.371%, (1-month USD LIBOR + 3.25%), 11/29/24	United States	700,000	692,912	0.21
Project Alpha Intermediate Holding, Inc., Term Loan, 4.5%, (3-month USD LIBOR + 3.5%), 4/26/24	United States	1,096,258	1,100,024	0.33
Solera LLC (Solera Finance, Inc.), Dollar Term Loan, 2.871%, (1-month USD LIBOR + 2.75%), 3/03/23	United States	496,094	494,732	0.15
Sophia LP, Term Loan, B, 4.5%, (3-month USD LIBOR + 3.75%), 10/07/27	United States	373,050	375,008	0.11
Surf Holdings SARL, First Lien, Dollar Term Loan, 3.726%, (3-month USD LIBOR + 3.5%), 3/05/27	Luxembourg	1,693,898	1,694,957	0.51
Ultimate Software Group, Inc. (The), First Lien, Initial Term Loan, 3.871%, (1-month USD LIBOR + 3.75%), 5/04/26	United States	645,100	647,926	0.20
Veritas US, Inc., Term Loan, B, 6.5%, (3-month USD LIBOR + 5.5%), 9/01/25	United States	440,713	444,018	0.13
			<u>11,681,035</u>	<u>3.52</u>
Asset Management & Custody Banks				
Russell Investments US Institutional Holdco, Inc., 2025 Term Loan, 4%, (3-month USD LIBOR + 3%), 5/30/25	United States	1,258,950	1,259,347	0.38
Auto Parts & Equipment				
Adient US LLC, Initial Term Loan, 4.394%, (1-month USD LIBOR + 4.25%; 3-month USD LIBOR + 4.25%), 5/06/24	United States	3,410,966	3,421,625	1.03
ⁱ Highline Aftermarket Acquisition LLC, First Lien, Term Loan, 5.25%, (3-month USD LIBOR + 4.5%), 11/09/27	United States	610,007	610,769	0.18
Panther BF Aggregator 2 LP, First Lien, Initial Dollar Term Loan, 3.621%, (1-month USD LIBOR + 3.5%), 4/30/26	Canada	3,894,849	3,902,151	1.18
TI Group Automotive Systems LLC, Initial US Term Loan (2020), 4.5%, (3-month USD LIBOR + 3.75%), 12/16/24	United States	1,478,111	1,483,654	0.45
TRICO Group LLC, First Lien, Term Loan, B3, 8.5%, (3-month USD LIBOR + 7.5%), 2/02/24	United States	1,378,886	1,407,326	0.42
ⁱ Truck Hero, Inc., Initial Term Loan, 4.5%, (1-month USD LIBOR + 3.75%), 1/31/28	United States	500,856	502,672	0.15
			<u>11,328,197</u>	<u>3.41</u>
Automobile Manufacturers				
Thor Industries, Inc., Initial USD Term Loan, 3.938%, (1-month USD LIBOR + 3.75%), 2/01/26	United States	2,747,883	2,754,753	0.83
Automotive Retail				
Wand NewCo 3, Inc., First Lien, Term Loan, B1, 3.121%, (1-month USD LIBOR + 3%), 2/05/26	United States	1,477,575	1,466,493	0.44
Biotechnology				
Grifols Worldwide Operations Ltd., Dollar Term Loan, B, 2.092%, (1-week USD LIBOR + 2%), 11/15/27	Ireland	658,779	658,413	0.20

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

Statement of Investments, January 31, 2021 (unaudited)

	Country	Principal Amount*	Value	% of Net Assets
^{h,i} Senior Floating Rate Interests (continued)				
Biotechnology (continued)				
Horizon Therapeutics USA, Inc., Seventh Amendment Refinancing Term Loan, 2.188%, (1-month USD LIBOR + 2%), 5/22/26	United States	1,244,270	\$1,245,210	0.37
			1,903,623	0.57
Broadcasting				
Gray Television, Inc., Term Loan, B2, 2.394%, (1-month USD LIBOR + 2.25%), 2/07/24	United States	5,344,899	5,327,662	1.61
Nexstar Broadcasting, Inc., Term Loan, B3, 2.371%, (1-month USD LIBOR + 2.25%), 1/17/24	United States	1,901,435	1,902,119	0.57
Sinclair Television Group, Inc., Term Loan, B, 2.38%, (1-month USD LIBOR + 2.25%), 1/03/24	United States	4,557,929	4,535,139	1.37
Univision Communications, Inc., First Lien, 2020 Replacement Term Loan, 4.75%, (1-month USD LIBOR + 3.75%), 3/15/26	United States	558,596	560,535	0.17
			12,325,455	3.72
Cable & Satellite				
CSC Holdings LLC, March 2017 Refinancing Term Loan, 2.377%, (1-month USD LIBOR + 2.25%), 7/17/25	United States	6,923,268	6,895,713	2.08
Radiate HoldCo LLC, Term Loan, B, 4.25%, (1-month USD LIBOR + 3.5%), 9/25/26	United States	327,833	328,517	0.10
ⁱ Virgin Media Bristol LLC, Term Loan, Q, 2.627%, (1-month USD LIBOR + 3.25%), 1/31/29	United States	788,848	791,313	0.24
WideOpenWest Finance LLC, Eighth Amendment Term Loan, B, 4.25%, (1-month USD LIBOR + 3.25%), 8/18/23	United States	1,036,994	1,037,969	0.31
			9,053,512	2.73
Casinos & Gaming				
Boyd Gaming Corp., Refinancing Term Loan, B, 2.342%, (1-week USD LIBOR + 2.25%), 9/15/23	United States	2,806,318	2,802,950	0.84
Boyd Gaming Corp., Term Loan, A, 3.25%, (1-week USD LIBOR + 2.75%), 9/15/23	United States	925,113	928,193	0.28
Caesars Resort Collection LLC, Term Loan, B, 2.871%, (1-month USD LIBOR + 2.75%), 12/23/24	United States	2,032,913	2,001,779	0.60
B1, 4.621%, (3-month USD LIBOR + 4.5%; 1-month USD LIBOR + 4.5%), 7/21/25	United States	344,577	344,989	0.11
Station Casinos LLC, Facility Term Loan, B1, 2.5%, (1-month USD LIBOR + 2.25%), 2/08/27	United States	2,315,441	2,285,050	0.69
			8,362,961	2.52
Commodity Chemicals				
Cyanco Intermediate 2 Corp., First Lien, Initial Term Loan, 3.621%, (1-month USD LIBOR + 3.5%), 3/16/25	United States	298,432	298,868	0.09
Univar Solutions USA, Inc., Term Loan, B3, 2.371%, (1-month USD LIBOR + 2.25%), 7/01/24	United States	822,270	824,621	0.25
			1,123,489	0.34
Communications Equipment				
CommScope, Inc., Initial Term Loan, 3.371%, (1-month USD LIBOR + 3.25%), 4/06/26	United States	4,003,480	4,005,042	1.21
Construction & Engineering				
Ply Gem Midco, Inc., Initial Term Loan, 3.876%, (1-month USD LIBOR + 3.75%), 4/12/25	United States	498,721	501,028	0.15

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

Statement of Investments, January 31, 2021 (unaudited)

	Country	Principal Amount*	Value	% of Net Assets
Senior Floating Rate Interests (continued)				
Construction Materials				
ⁱ Park River Holdings, Inc., First Lien, Initial Term Loan, 4%, (3-month USD LIBOR + 3.25%), 12/28/27	United States	563,010	\$565,051	0.17
White Cap Buyer LLC, Initial Closing Date Term Loan, 4.5%, (3-month USD LIBOR + 4%), 10/19/27	United States	748,125	753,474	0.23
			<u>1,318,525</u>	<u>0.40</u>
Consumer Electronics				
Playtika Holding Corp., Term Loan, B, 7%, (3-month USD LIBOR + 6%), 12/10/24	United States	2,299,000	2,316,369	0.70
Data Processing & Outsourced Services				
Neustar, Inc., First Lien, Term Loan, B5, 5.5%, (3-month USD LIBOR + 4.5%), 8/08/24	United States	1,766,172	1,740,315	0.52
Pitney Bowes, Inc., Incremental Term Loan, B, 5.63%, (1-month USD LIBOR + 5.5%), 1/07/25	United States	2,310,359	2,309,643	0.70
Tempo Acquisition LLC, Extended Term Loan, 3.75%, (1-month USD LIBOR + 3.25%), 11/02/26	United States	648,371	648,877	0.19
WEX, Inc., Term Loan, B3, 2.371%, (1-month USD LIBOR + 2.25%), 5/15/26	United States	321,507	321,909	0.10
			<u>5,020,744</u>	<u>1.51</u>
Department Stores				
Harbor Freight Tools USA, Inc., Initial Term Loan (2020), 4%, (1-month USD LIBOR + 3.25%), 10/19/27	United States	370,157	371,129	0.11
Michaels Stores, Inc., 2020 Refinancing Term Loan, B, 4.25%, (1-month USD LIBOR + 3.5%), 10/01/27	United States	900,022	901,147	0.27
			<u>1,272,276</u>	<u>0.38</u>
Distributors				
Resideo Funding, Inc., Term Loan, A, 2.51%, (3-month USD LIBOR + 2.25%), 10/25/23	United States	7,740,000	7,623,900	2.29
Diversified Banks				
Finastra Ltd., First Lien, Dollar Term Loan, 4.5%, (3-month USD LIBOR + 3.5%), 6/13/24	United Kingdom	3,358,496	3,306,020	0.99
Diversified Capital Markets				
Vertical Midco GmbH, USD Term Loan, 4.567%, (6-month USD LIBOR + 4.25%), 6/30/27	Germany	1,233,428	1,246,619	0.38
Diversified Metals & Mining				
ⁱ U.S. Silica Co., Term Loan, 5%, (1-month USD LIBOR + 4%), 5/01/25	United States	366,197	338,848	0.10
Diversified Support Services				
Allied Universal Holdco LLC, Initial Term Loan, 4.371%, (1-month USD LIBOR + 4.25%), 7/10/26	United States	1,016,178	1,018,002	0.31
CCI Buyer, Inc., Term Loan, 4.75%, (3-month USD LIBOR + 4%), 12/17/27	United States	241,672	243,666	0.07
Legalzoom.com, Inc., First Lien, 2018 Term Loan, 4.621%, (1-month USD LIBOR + 4.5%), 11/21/24	United States	4,010,844	4,018,384	1.21
			<u>5,280,052</u>	<u>1.59</u>
Drug Retail				
GNC Holdings, Inc., Second Lien, Term Loan, 6.234%, (3-month USD LIBOR + 6%), 10/30/26	United States	5,318,279	3,988,710	1.20
Education Services				
KUEHG Corp., Term Loan, B-3, 4.75%, (3-month USD LIBOR + 3.75%), 2/21/25	United States	1,398,721	1,358,508	0.41

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

Statement of Investments, January 31, 2021 (unaudited)

	Country	Principal Amount*	Value	% of Net Assets
Senior Floating Rate Interests (continued)				
Electric Utilities				
Astoria Energy LLC, Advance (2020) Term Loan, B, 4.5%, (6-month USD LIBOR + 3.5%), 12/10/27	United States	400,685	\$401,624	0.12
EFS Cogen Holdings I LLC, Term Loan, 4.5%, (3-month USD LIBOR + 3.5%), 10/01/27	United States	395,118	394,707	0.12
			<u>796,331</u>	<u>0.24</u>
Electronic Equipment & Instruments				
Verifone Systems, Inc., First Lien, Initial Term Loan, 4.224%, (3-month USD LIBOR + 4%), 8/20/25	United States	498,724	487,468	0.15
Food Retail				
Shearer's Foods LLC, First Lien, Term Loan, 4.75%, (3-month USD LIBOR + 4%), 9/23/27	United States	191,848	192,807	0.06
Health Care Facilities				
ADMI Corp., Amendment No. 3 Incremental Term Loan, 4.75%, (1-month USD LIBOR + 4%), 12/23/27	United States	606,806	612,875	0.18
ADMI Corp., Amendment No. 4 Refinancing Term Loan, 3.75%, (1-month USD LIBOR + 3.25%), 12/23/27	United States	700,000	700,000	0.21
Global Medical Response, Inc., 2018 New Term Loan, 5.25%, (3-month USD LIBOR + 4.25%), 3/14/25	United States	842,288	842,183	0.25
Pathway Vet Alliance LLC, First Lien, Initial Delayed Draw Term Loan, 4.121%, (1-month USD LIBOR + 4%), 3/31/27	United States	116,535	116,754	0.03
Pathway Vet Alliance LLC, First Lien, Initial Term Loan, 4.121%, (1-month USD LIBOR + 4%), 3/31/27	United States	1,543,250	1,546,151	0.47
Pathway Vet Alliance LLC, Replacement Term Loan, 3.865%, (1-month USD LIBOR + 3.75%), 12/31/27	United States	555,556	556,600	0.17
Pluto Acquisition I, Inc., Term Loan, B, 4.615%, (1-month USD LIBOR + 4.5%), 12/31/27	United States	231,958	233,408	0.07
			<u>4,607,971</u>	<u>1.38</u>
Health Care Services				
BrightSpring Health Services, Term Loan, 4.25%, (1-month USD LIBOR + 3.75%), 3/05/26	United States	300,000	302,063	0.09
CNT Holdings I Corp., First Lien, Term Loan Facility, 4.5%, (3-month USD LIBOR + 3.75%), 11/08/27	United States	193,187	194,533	0.06
Research Technology, Inc., First Lien, Initial Term Loan, 5.5%, (1-month USD LIBOR + 4.5%), 2/04/27	United States	1,421,748	1,430,044	0.43
Gentiva Health Services, Inc., First Lien, Term Loan, B, 3.375%, (1-month USD LIBOR + 3.25%), 7/02/25	United States	947,440	949,515	0.29
National Mentor Holdings, Inc., First Lien, Initial Term Loan, 4.418%, (1-month USD LIBOR + 4.25%; 3-month USD LIBOR + 4.25%), 3/09/26	United States	3,456,914	3,465,556	1.04
C, 4.51%, (1-month USD LIBOR + 4.25%), 3/09/26	United States	158,198	158,594	0.05
Navicure, Inc., First Lien, Initial Term Loan, 4.121%, (1-month USD LIBOR + 4%), 10/22/26	United States	3,234,872	3,238,915	0.98
Phoenix Guarantor, Inc., First Lien, Term Loan, B1, 3.38%, (1-month USD LIBOR + 3.25%), 3/05/26	United States	1,841,574	1,839,659	0.55
Pluto Acquisition I, Inc., Incremental Term Loan, 5.5%, (1-month USD LIBOR + 5%), 6/22/26	United States	400,685	402,688	0.12
Radiology Partners, Inc., First Lien, Term Loan, B, 4.804%, (1-month USD LIBOR + 4.25%; 3-month USD LIBOR + 4.25%), 7/09/25	United States	400,000	398,550	0.12
U.S. Anesthesia Partners, Inc., First Lien, Initial Term Loan, 4%, (3-month USD LIBOR + 3%), 6/23/24	United States	296,923	293,105	0.09
			<u>12,673,222</u>	<u>3.82</u>

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

Statement of Investments, January 31, 2021 (unaudited)

	Country	Principal Amount*	Value	% of Net Assets
Senior Floating Rate Interests (continued)				
Health Care Technology				
Inovalon Holdings, Inc., Refinancing Date Term Loan, 3.188%, (1-month USD LIBOR + 3%), 4/02/25	United States	335,737	\$336,816	0.10
Household Products				
Knowlton Development Corp., Inc., 2020 Initial Term Loan, 3.871%, (1-month USD LIBOR + 3.75%), 12/22/25	Canada	1,056,188	1,051,346	0.32
Human Resource & Employment Services				
^h UKG, Inc., First Lien, 2021 Incremental Term Loan, 4%, (2-month USD LIBOR + 3.25%), 5/04/26	United States	703,428	707,449	0.21
Industrial Machinery				
Altra Industrial Motion Corp., Term Loan, 2.121%, (1-month USD LIBOR + 2%), 10/01/25	United States	794,742	795,863	0.24
Navistar, Inc., Term Loan, B, 3.63%, (1-month USD LIBOR + 3.5%), 11/06/24	United States	6,070,098	6,078,444	1.83
			6,874,307	2.07
Insurance Brokers				
Alliant Holdings Intermediate LLC, 2018 Initial Term Loan, 3.371%, (1-month USD LIBOR + 3.25%), 5/09/25	United States	2,147,970	2,141,118	0.64
Alliant Holdings Intermediate LLC, Term Loan, B3, 4.25%, (1-month USD LIBOR + 3.75%), 11/05/27	United States	88,097	88,363	0.03
			2,229,481	0.67
Integrated Telecommunication Services				
Global Tel Link, First Lien, Term Loan, 4.371%, (1-month USD LIBOR + 4.25%), 11/29/25	United States	4,788,520	4,417,410	1.33
Global Tel Link, Second Lien, Term Loan, 8.371%, (1-month USD LIBOR + 8.25%), 11/29/26	United States	2,479,737	1,926,755	0.58
West Corp., Initial Term Loan, LOAN Note, B, 5%, (1-month USD LIBOR + 4%; 3-month USD LIBOR + 4%), 10/10/24	United States	1,189,540	1,172,810	0.35
			7,516,975	2.26
Internet & Direct Marketing Retail				
MH Sub I LLC (Micro Holding Corp.), First Lien, 2020 June New Term Loan, 4.75%, (1-month USD LIBOR + 3.75%), 9/13/24	United States	473,306	475,377	0.15
MH Sub I LLC (Micro Holding Corp.), First Lien, Amendment No. 2 Initial Term Loan, Internet Brands Inc Note, 3.621%, (1-month USD LIBOR + 3.5%), 9/13/24	United States	1,010,076	1,005,894	0.30
			1,481,271	0.45
Internet Services & Infrastructure				
Barracuda Networks, Inc., First Lien, 2020 Term Loan, 4.5%, (3-month USD LIBOR + 3.75%), 2/12/25	United States	737,877	739,566	0.22
Informatica LLC, Dollar 2020 Term Loan, 3.371%, (1-month USD LIBOR + 3.25%), 2/25/27	United States	1,449,050	1,448,405	0.44
TIBCO Software, Inc., Term Loan, B3, 3.88%, (1-month USD LIBOR + 3.75%), 6/30/26	United States	5,546,033	5,546,033	1.67
			7,734,004	2.33
Investment Banking & Brokerage				
ⁱ Citadel Securities LP, Term Loan, B, 2.615%, (1-month USD LIBOR + 2.5%), 2/29/28	United States	1,300,000	1,295,665	0.39

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

Statement of Investments, January 31, 2021 (unaudited)

	Country	Principal Amount*	Value	% of Net Assets
h,i Senior Floating Rate Interests (continued)				
Investment Banking & Brokerage (continued)				
Deerfield Dakota Holding LLC, First Lien, Initial Dollar Term Loan, 4.75%, (1-month USD LIBOR + 3.75%), 4/09/27	United States	1,417,866	\$1,427,486	0.43
i Jane Street Group LLC, Term Loan, 2.875%, (1-month USD LIBOR + 2.75%), 1/31/28	United States	939,848	938,339	0.28
			<u>3,661,490</u>	<u>1.10</u>
IT Consulting & Other Services				
Aventiv Technologies LLC, First Lien, Initial Term Loan, 5.5%, (3-month USD LIBOR + 4.5%), 11/01/24	United States	979,798	898,612	0.27
Conduent, Inc., Term Loan, B, 2.621%, (1-month USD LIBOR + 2.5%), 12/07/23	United States	233,470	231,720	0.07
Milano Acquisition Corp., Term Loan, B, 4.75%, (3-month USD LIBOR + 4%), 10/01/27	United States	1,254,863	1,260,359	0.38
			<u>2,390,691</u>	<u>0.72</u>
Leisure Facilities				
24 Hour Fitness Worldwide, Inc., Exit Term Loan, 5.24%, (1-month USD LIBOR + 5%), 12/30/25	United States	4,667,993	4,170,082	1.25
Leisure Products				
i Hercules Achievement, Inc. (Varsity Brands Holding Co., Inc.), First Lien, Initial Term Loan, 4.5%, (1-month USD LIBOR + 3.5%), 12/16/24	United States	499,144	480,044	0.14
NASCAR Holdings LLC, Initial Term Loan, 2.897%, (1-month USD LIBOR + 2.75%), 10/19/26	United States	1,458,332	1,460,381	0.44
			<u>1,940,425</u>	<u>0.58</u>
Life & Health Insurance				
AssuredPartners, Inc., 2020 February Refinancing Term Loan, 3.647%, (1-month USD LIBOR + 3.5%), 2/12/27	United States	1,445,094	1,439,531	0.43
Metal & Glass Containers				
BWay Holding Co., Initial Term Loan, 3.381%, (1-month USD LIBOR + 3.25%), 4/03/24	United States	2,536,034	2,494,824	0.75
Movies & Entertainment				
Banijay Entertainment SAS, Facility USD Term Loan, B, 3.881%, (1-month USD LIBOR + 3.75%), 3/01/25	France	422,940	420,430	0.13
Diamond Sports Group LLC, Term Loan, 3.38%, (1-month USD LIBOR + 3.25%), 8/24/26	United States	3,573,131	3,069,927	0.93
Lions Gate Capital Holdings LLC, Term Loan, A, 1.871%, (1-month USD LIBOR + 1.75%), 3/22/23	United States	3,611,298	3,593,241	1.08
William Morris Endeavor Entertainment LLC (IMG Worldwide Holdings LLC), First Lien, Term Loan, B-1, 2.88%, (1-month USD LIBOR + 2.75%), 5/18/25	United States	648,266	607,039	0.18
			<u>7,690,637</u>	<u>2.32</u>
Office Services & Supplies				
Staples, Inc., 2019 Refinancing New Term Loan, B1, 5.214%, (3-month USD LIBOR + 5%), 4/16/26	United States	1,242,986	1,220,457	0.37
Oil & Gas Exploration & Production				
k Fieldwood Energy LLC, First Lien, Closing Date Term Loan, 6.25%, (3-month USD LIBOR + 5.25%), 4/11/22	United States	25,460,344	6,609,123	1.99
UTEX Industries, Inc., First Out Term Loan, 8.5%, (1-month USD LIBOR + 7%), 12/03/24	United States	1,251,016	1,261,963	0.38

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

Statement of Investments, January 31, 2021 (unaudited)

	Country	Principal Amount*	Value	% of Net Assets
^{h,i} Senior Floating Rate Interests (continued)				
Oil & Gas Exploration & Production (continued)				
UTEX Industries, Inc., Second Out Term Loan, 11%, (1-month USD LIBOR + 9.5%), 12/03/25	United States	764,899	\$759,801	0.23
			8,630,887	2.60
Oil & Gas Storage & Transportation				
Centurion Pipeline Co. LLC, Initial Term Loan, 3.371%, (1-month USD LIBOR + 3.25%), 9/29/25	United States	1,286,031	1,284,423	0.39
Packaged Foods & Meats				
B&G Foods, Inc., Term Loan, B4, 2.621%, (1-month USD LIBOR + 2.5%), 10/10/26	United States	295,597	296,731	0.09
CSM Bakery Solutions Ltd., First Lien, Term Loan, 7.25%, (3-month USD LIBOR + 6.25%), 1/04/22	United States	6,207,732	6,175,141	1.86
^g CSM Bakery Solutions Ltd., Second Lien, Term Loan, 8.75%, PIK, (3-month USD LIBOR + 7.75%), 7/05/21	United States	2,131,331	2,093,135	0.63
JBS USA Lux SA, New Term Loan, 2.121%, (1-month USD LIBOR + 2%), 5/01/26	Luxembourg	894,571	895,085	0.27
			9,460,092	2.85
Paper Packaging				
Berry Global, Inc., Term Loan, Y, 2.133%, (1-month USD LIBOR + 2%), 7/01/26	United States	627,749	627,630	0.19
Paper Products				
^d Appvion Operations, Inc., Term Loan, 7%, (3-month USD LIBOR + 6%), 6/12/26	United States	4,145,882	4,107,885	1.24
Personal Products				
Coty, Inc., USD Term Loan, B, 2.382%, (1-month USD LIBOR + 2.25%), 4/07/25	United States	248,598	235,011	0.07
Sunshine Luxembourg VII SARL, Facility Term Loan, B1, 5%, (3-month USD LIBOR + 4%), 10/01/26	Luxembourg	2,108,700	2,118,073	0.64
			2,353,084	0.71
Pharmaceuticals				
Bausch Health Cos., Inc., Initial Term Loan, 3.121%, (1-month USD LIBOR + 3%), 6/02/25	United States	2,956,012	2,962,249	0.89
Property & Casualty Insurance				
Asurion LLC, New Term Loan, B-8, 3.371%, (1-month USD LIBOR + 3.25%), 12/23/26	United States	3,637,035	3,623,397	1.09
Asurion LLC, Replacement Term Loan, B6, 3.147%, (1-month USD LIBOR + 3%), 11/03/23	United States	95,252	95,222	0.03
Asurion LLC, Second Lien, Replacement Term Loan, B2, 6.621%, (1-month USD LIBOR + 6.5%), 8/04/25	United States	80,342	80,643	0.02
Asurion LLC, Term Loan, 5.365%, (1-month USD LIBOR + 5.25%), 12/31/27	United States	52,263	52,786	0.02
B9, 3.365%, (1-month USD LIBOR + 3.25%), 12/31/27	United States	1,001,142	996,762	0.30
			4,848,810	1.46

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

Statement of Investments, January 31, 2021 (unaudited)

	Country	Principal Amount*	Value	% of Net Assets
Senior Floating Rate Interests (continued)				
Publishing				
ⁱ Cengage Learning, Inc., 2016 Refinancing Term Loan, 5.25%, (3-month USD LIBOR + 4.25%), 6/07/23	United States	1,598,433	\$1,541,497	0.46
Nielsen Finance LLC, Dollar Term Loan, B5, 4.75%, (1-month USD LIBOR + 3.75%), 6/04/25	United States	210,529	212,833	0.06
			<u>1,754,330</u>	<u>0.52</u>
Railroads				
Ventia Midco Pty. Ltd., 2017 Refinancing USD Term Loan, B, 5%, (3-month USD LIBOR + 4%), 5/21/26	Australia	5,681,715	<u>5,681,715</u>	<u>1.71</u>
Research & Consulting Services				
ⁱ Dun & Bradstreet Corp. (The), Initial Term Loan Borrowing, B, 3.378%, (1-month USD LIBOR + 3.25%), 2/06/26	United States	510,614	<u>512,621</u>	<u>0.16</u>
Restaurants				
IRB Holding Corp., Fourth Amendment Incremental Term Loan, 4.25%, (3-month USD LIBOR + 3.25%), 12/15/27	United States	358,059	<u>359,817</u>	<u>0.11</u>
Security & Alarm Services				
Prime Security Services Borrower LLC, First Lien, 2019 Refinancing Term Loan, B1, 4.25%, (3-month USD LIBOR + 3.25%; 1-month USD LIBOR + 3.25%), 9/23/26	United States	450,145	<u>450,788</u>	<u>0.13</u>
Specialized Consumer Services				
Sedgwick Claims Management Services, Inc. (Lightning Cayman Merger Sub Ltd.), Initial Term Loan, 3.371%, (1-month USD LIBOR + 3.25%), 12/31/25	United States	497,462	495,251	0.15
ⁱ WeddingWire, Inc., First Lien, Initial Term Loan, 4.711%, (2-month USD LIBOR + 4.5%; 3-month USD LIBOR + 4.5%), 12/19/25	United States	600,000	<u>590,625</u>	<u>0.18</u>
			<u>1,085,876</u>	<u>0.33</u>
Specialized Finance				
ⁱ Sabre GLBL, Inc., 2020 Other Term Loan, B, 4.75%, (1-month USD LIBOR + 4%), 12/17/27	United States	86,896	87,928	0.02
Verscend Holding Corp., Term Loan, B, 4.621%, (1-month USD LIBOR + 4.5%), 8/27/25	United States	1,817,279	<u>1,821,822</u>	<u>0.55</u>
			<u>1,909,750</u>	<u>0.57</u>
Specialty Chemicals				
Illuminate Buyer LLC, Term Loan, 4.121%, (1-month USD LIBOR + 4%), 6/30/27	United States	283,769	285,100	0.08
ⁱ INEOS 226 Ltd., USD Term Loan, B, 3.25%, (1-month USD LIBOR + 2.75%), 1/21/26	United Kingdom	515,166	517,850	0.16
ⁱ NIC Acquisition Corp., Term Loan, 4.5%, (3-month USD LIBOR + 3.75%), 12/29/27	United States	372,468	<u>374,332</u>	<u>0.11</u>
			<u>1,177,282</u>	<u>0.35</u>

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

Statement of Investments, January 31, 2021 (unaudited)

	Country	Principal Amount*	Value	% of Net Assets
Senior Floating Rate Interests (continued)				
Specialty Stores				
ⁱ Party City Holdings, Inc., 2018 Replacement Term Loan, 3.25%, (2-month USD LIBOR + 2.5%; 3-month USD LIBOR + 2.5%), 8/19/22	United States	1,395,675	\$1,349,443	0.41
Petco Animal Supplies, Inc., Term Loan, 4.25%, (3-month USD LIBOR + 3.25%), 1/26/23	United States	521,411	521,560	0.16
PetSmart, Inc., Term Loan, B, 4.5%, (3-month USD LIBOR + 3.75%), 12/31/27	United States	518,127	515,536	0.15
Woof Holdings, Inc., First Lien, Initial Term Loan, 4.5%, (1-year USD LIBOR + 3.75%), 12/21/27	United States	320,887	322,760	0.10
			<u>2,709,299</u>	<u>0.82</u>
Systems Software				
ⁱ athenahealth, Inc., First Lien, Term Loan, B, 4.633%, (1-month USD LIBOR + 4.5%), 2/11/26	United States	3,101,430	3,116,457	0.94
DCert Buyer, Inc., First Lien, Initial Term Loan, 4.121%, (1-month USD LIBOR + 4%), 10/16/26	United States	2,571,347	2,580,990	0.78
Hyland Software, Inc., First Lien, 2018 Refinancing Term Loan, 4.25%, (1-month USD LIBOR + 3.5%), 7/01/24	United States	1,238,598	1,245,416	0.37
Idera, Inc., First Lien, Initial Term Loan, 5%, (3-month USD LIBOR + 4%), 6/28/24	United States	880,841	883,413	0.27
Ivanti Software, Inc., First Lien, Initial Term Loan, 5.75%, (3-month USD LIBOR + 4.75%), 12/01/27	United States	500,000	505,000	0.15
Perforce Software, Inc., First Lien, New Term Loan, 3.871%, (1-month USD LIBOR + 3.75%), 7/01/26	United States	1,806,750	1,805,621	0.54
Quest Software US Holdings, Inc., First Lien, Initial Term Loan, 4.462%, (3-month USD LIBOR + 4.25%), 5/16/25	United States	990,012	991,427	0.30
			<u>11,128,324</u>	<u>3.35</u>
Technology Hardware, Storage & Peripherals				
Amentum Government Services Holdings LLC, First Lien, Initial Term Loan, 3.621%, (1-month USD LIBOR + 3.5%), 1/29/27	United States	895,500	892,702	0.27
Amentum Government Services Holdings LLC, Incremental Term Loan, 5.5%, (3-month USD LIBOR + 4.75%), 1/29/27	United States	620,130	624,781	0.19
			<u>1,517,483</u>	<u>0.46</u>
Trucking				
Avis Budget Car Rental LLC, New Term Loan, B, 2.38%, (1-month USD LIBOR + 2.25%), 8/06/27	United States	2,789,660	2,734,369	0.82
Kenan Advantage Group Holdings Corp. (The), Initial Canadian Term Loan, 4%, (1-month USD LIBOR + 3%), 7/29/22	United States	197,715	196,005	0.06
Kenan Advantage Group Holdings Corp. (The), Initial U.S. Term Loan, 4%, (1-month USD LIBOR + 3%), 7/29/22	United States	831,433	824,241	0.25
^a Onsite Rental Group Operations Pty. Ltd., Term Loan, B, 5.5%, (1-month USD LIBOR + 4.5%), 10/26/22	Australia	7,844,959	7,307,064	2.20
			<u>11,061,679</u>	<u>3.33</u>

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

Statement of Investments, January 31, 2021 (unaudited)

	Country	Principal Amount*	Value	% of Net Assets
Senior Floating Rate Interests (continued)				
Wireless Telecommunication Services				
Altice France SA, USD Incremental Term Loan, B-13, 4.127%, (1-month USD LIBOR + 4%), 8/14/26	France	1,173,810	1,176,093	0.35
Total Senior Floating Rate Interests (Cost \$292,932,140)			266,896,973	80.37
		Shares/Units		
Escrows and Litigation Trusts				
^{b,f} 99Escrow Issuer, Inc., Escrow Account, 144A	United States	600,000	583,353	0.18
^{a,b} Millennium Corporate Claim Trust, Escrow Account	United States	6,589,709	—	0.00
^{a,b} Millennium Lender Claim Trust, Escrow Account	United States	6,589,709	—	0.00
^{a,b,d} Remington Outdoor Co., Inc., Litigation Units	United States	98,704	—	0.00
Total Escrows and Litigation Trusts (Cost \$599,509)			583,353	0.18
Total Long Term Investments (Cost \$402,538,915)			326,149,678	98.22
	Country	Principal Amount*	Value	% of Net Assets
Repurchase Agreements				
¹ Joint Repurchase Agreement, 0.04%, 2/01/21 (Maturity Value \$16,879,957)				
BNP Paribas Securities Corp. (Maturity Value \$9,980,274)				
Deutsche Bank Securities, Inc. (Maturity Value \$2,907,573)				
HSBC Securities (USA), Inc. (Maturity Value \$3,992,110)				
Collateralized by U.S. Government Agency Securities, 3.5% – 5%, 11/20/41 – 2/20/50; U.S. Treasury Bonds, 6.25% – 7.63%, 11/15/22 – 8/15/23; and U.S. Treasury Note, 1.63%, 11/15/22 (valued at \$17,222,208)		16,879,900	\$16,879,900	5.08
Total Repurchase Agreements (Cost \$16,879,900)			16,879,900	5.08
Total Short Term Investments (Cost \$16,879,900)			16,879,900	5.08
Total Investments (Cost \$419,418,815)			\$343,029,578	103.30
Other Assets, less Liabilities			(10,958,839)	(3.30)
Net Assets			\$332,070,739	100.00

See Abbreviations on page 48.

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

† Rounds to less than 0.01% of net assets.

^a Fair valued using significant unobservable inputs. See Note 13 regarding fair value measurements.^b Non-income producing.^c See Note 9 regarding restricted securities.^d See Note 10 regarding holdings of 5% voting securities.^e See Note 3(d) regarding investments in affiliated management investment companies.^f Security was purchased pursuant to Rule 144A or Regulation S under the Securities Act of 1933. 144A securities may be sold in transactions exempt from registration only to qualified institutional buyers or in a public offering registered under the Securities Act of 1933. Regulation S securities cannot be sold in the United States without either an effective registration statement filed pursuant to the Securities Act of 1933, or pursuant to an exemption from registration. At January 31, 2021, the aggregate value of these securities was \$5,106,767, representing 1.5% of net assets.^g Income may be received in additional securities and/or cash.^h See Note 1(d) regarding senior floating rate interests.ⁱ The coupon rate shown represents the rate at period end.^j A portion or all of the security purchased on a delayed delivery basis. See Note 1(c).^k See Note 7 regarding credit risk and defaulted securities.^l See Note 1(b) regarding joint repurchase agreement.

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST
Franklin Floating Rate Master Trust

Statement of Assets and Liabilities January 31, 2021 (unaudited)

	Franklin Floating Rate Master Series
Assets:	
Investments in securities:	
Cost – Unaffiliated issuers	\$320,324,910
Cost – Controlled affiliates (Note 3d and 10)	24,162,179
Cost – Non-controlled affiliates (Note 3d and 10)	58,051,826
Cost – Unaffiliated repurchase agreements	16,879,900
Value – Unaffiliated issuers	\$285,261,203
Value – Controlled affiliates (Note 3d and 10)	23,810,535
Value – Non-controlled affiliates (Note 3d and 10)	17,077,940
Value – Unaffiliated repurchase agreements	16,879,900
Cash	804,606
Receivables:	
Investment securities sold	2,908,801
Dividends and interest	1,240,336
Total assets	347,983,321
Liabilities:	
Payables:	
Investment securities purchased	14,548,959
Management fees	130,759
Distributions to shareholders	1,176,818
Accrued expenses and other liabilities	56,046
Total liabilities	15,912,582
Net assets, at value	\$332,070,739
Net assets consist of:	
Paid-in capital	\$722,636,905
Total distributable earnings (losses)	(390,566,166)
Net assets, at value	\$332,070,739
Shares outstanding	46,356,375
Net asset value and maximum offering price per share (\$332,070,739 ÷ 46,356,375 shares outstanding)	\$7.16

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

APPENDIX A (CONTINUED)
 FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST
 Franklin Floating Rate Master Trust

Statement of Operations for the six months ended January 31, 2021 (unaudited)

	Franklin Floating Rate Master Series
Investment income:	
Dividends:	
Unaffiliated issuers	\$157,447
Controlled affiliates (Note 3d and 10)	329,943
Non-controlled affiliates (Note 3d and 10)	134,040
Interest:	
Unaffiliated issuers	7,594,794
Unaffiliated issuers:	
Payment-in-kind	638,399
Non-controlled affiliates (Note 3d and 10)	193,710
Total investment income	<u>9,048,333</u>
Expenses:	
Management fees (Note 3a)	948,607
Custodian fees (Note 4)	1,355
Reports to shareholders	2,812
Registration and filing fees	53
Professional fees	96,822
Trustees' fees and expenses	11,188
Other	13,057
Total expenses	<u>1,073,894</u>
Expense reductions (Note 4)	(1,789)
Expenses waived/paid by affiliates (Note 3d and 3e)	<u>(123,862)</u>
Net expenses	<u>948,243</u>
Net investment income	<u>8,100,090</u>
Realized and unrealized gains (losses):	
Net realized gain (loss) from:	
Investments:	
Unaffiliated issuers	(23,748,133)
Non-controlled affiliates (Note 3d and 10)	<u>(2,479,118)</u>
Net realized gain (loss)	<u>(26,227,251)</u>
Net change in unrealized appreciation (depreciation) on:	
Investments:	
Unaffiliated issuers	33,746,230
Controlled affiliates (Note 3d)	898,402
Non-controlled affiliates (Note 3d and 10)	818,917
Net change in unrealized appreciation (depreciation)	<u>35,463,549</u>
Net realized and unrealized gain (loss)	<u>9,236,298</u>
Net increase (decrease) in net assets resulting from operations	<u>\$17,336,388</u>

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST
Franklin Floating Rate Master Trust

Statements of Changes in Net Assets

	Franklin Floating Rate Master Series	
	Six Months Ended January 31, 2021 (unaudited)	Year Ended July 31, 2020
Increase (decrease) in net assets:		
Operations:		
Net investment income	\$ 8,100,090	\$ 34,395,151
Net realized gain (loss)	(26,227,251)	(65,558,706)
Net change in unrealized appreciation (depreciation)	35,463,549	(29,805,223)
Net increase (decrease) in net assets resulting from operations	17,336,388	(60,968,778)
Distributions to shareholders	(9,121,491)	(39,188,896)
Capital share transactions (Note 2)	(70,864,366)	(559,801,591)
Net increase (decrease) in net assets	(62,649,469)	(659,959,265)
Net assets:		
Beginning of period	394,720,208	1,054,679,473
End of period	\$ 332,070,739	\$ 394,720,208

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Franklin Floating Rate Master Trust (Trust) is registered under the Investment Company Act of 1940 (1940 Act) as an open-end management investment company, consisting of two separate funds and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP). Franklin Floating Rate Master Series (Fund) is included in this report. The Fund's shares are exempt from registration under the Securities Act of 1933.

The following summarizes the Fund's significant accounting policies.

a. Financial Instrument Valuation

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

Equity securities and exchange traded funds listed on an exchange or on the NASDAQ National Market System are valued at the last quoted sale price or the official closing price of the day, respectively. Over-the-counter (OTC) securities are valued within the range of the most recent quoted bid and ask prices. Securities that trade in multiple markets or on multiple exchanges are valued according to the broadest and most representative market. Certain equity securities are valued based upon fundamental characteristics or relationships to similar securities.

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

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

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

b. Joint Repurchase Agreement

The Fund enters into a joint repurchase agreement whereby its uninvested cash balance is deposited into a joint cash account with other funds managed by the investment manager or an affiliate of the investment manager and is used to invest in one or more repurchase agreements. The value and face amount of the joint repurchase agreement are allocated to the funds based on their pro-rata interest. A repurchase agreement is accounted for as a loan by the Fund to the seller, collateralized by securities which are delivered to the Fund's custodian. The fair value, including accrued interest, of the initial collateralization is required to

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

be at least 102% of the dollar amount invested by the funds, with the value of the underlying securities marked to market daily to maintain coverage of at least 100%. Repurchase agreements are subject to the terms of Master Repurchase Agreements (MRAs) with approved counterparties (sellers). The MRAs contain various provisions, including but not limited to events of default and maintenance of collateral for repurchase agreements. In the event of default by either the seller or the Fund, certain MRAs may permit the non-defaulting party to net and close-out all transactions, if any, traded under such agreements. The Fund may sell securities it holds as collateral and apply the proceeds towards the repurchase price and any other amounts owed by the seller to the Fund in the event of default by the seller. This could involve costs or delays in addition to a loss on the securities if their value falls below the repurchase price owed by the seller. The joint repurchase agreement held by the Fund at period end, as indicated in the Statement of Investments, had been entered into on January 29, 2021.

c. Securities Purchased on a Delayed Delivery Basis

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

d. Senior Floating Rate Interests

The Fund invests in senior secured corporate loans that pay interest at rates which are periodically reset by reference to a base lending rate plus a spread. These base lending rates are generally the prime rate offered by a designated U.S. bank or the London InterBank Offered Rate (LIBOR). Senior secured corporate loans often require prepayment of principal from excess cash flows or at the discretion of the borrower. As a result, actual maturity may be substantially less than the stated maturity. Senior secured corporate loans in which the Fund invests are generally readily marketable, but may be subject to certain restrictions on resale. On July 27, 2017, the United Kingdom's Financial Conduct Authority announced its intention to cease sustaining LIBOR after 2021. There remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. As such, the potential effect of a transition away from LIBOR on the Fund or the Fund's investments that use or may use a floating rate based on LIBOR cannot yet be determined.

e. Income Taxes

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

f. Security Transactions, Investment Income, Expenses and Distributions

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

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

g. Accounting Estimates

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

h. Guarantees and Indemnifications

Under the Trust's organizational documents, its officers and trustees are indemnified by the Trust against certain liabilities arising out of the performance of their duties to the Trust.

Additionally, in the normal course of business, the Trust, on behalf of the Fund, enters into contracts with service providers that contain general indemnification clauses. The Trust's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. Currently, the Trust expects the risk of loss to be remote.

2. SHARES OF BENEFICIAL INTEREST

At January 31, 2021, there were an unlimited number of shares authorized (without par value). Transactions in the Fund's shares were as follows:

	Six Months Ended January 31, 2021		Year Ended July 31, 2020	
	Shares	Amount	Shares	Amount
Shares sold	786,560	\$5,555,832	3,720,913	\$29,708,156
Shares redeemed	(10,867,020)	(76,420,198)	(76,295,798)	(589,509,747)
Net increase (decrease)	(10,080,460)	\$(70,864,366)	(72,574,885)	\$(559,801,591)

3. TRANSACTIONS WITH AFFILIATES

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

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

a. Management Fees

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

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

For the period ended January 31, 2021, the annualized gross effective investment management fee rate was 0.530% of the Fund's average daily net assets.

b. Administrative Fees

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

c. Transfer Agent Fees

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

2. SHARES OF BENEFICIAL INTEREST (continued)

d. Investments in Affiliated Management Investment Companies

The Fund invests in one or more affiliated management investment companies for purposes other than exercising a controlling influence over the management or policies. Management fees paid by the Fund are waived on assets invested in the affiliated management investment companies, as noted in the Statement of Operations, in an amount not to exceed the management and administrative fees paid directly or indirectly by each affiliate. During the period ended January 31, 2021, the Fund held investments in affiliated management investment companies as follows:

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares Held at End of Period	Investment Income
Controlled Affiliates								
								Dividends
Franklin Liberty Senior Loan ETF.	\$22,912,133	\$—	\$—	\$—	\$898,402	\$23,810,535	957,785	\$329,943
Non-Controlled Affiliates								
								Dividends
Franklin Floating Rate Income Fund	\$10,750,395	\$—	\$(7,344,028)	\$(2,480,862)	\$2,592,775	\$3,518,280	461,717	\$134,040
Total Affiliated Securities	\$33,662,528	\$—	\$(7,344,028)	\$(2,480,862)	\$3,491,177	\$27,328,815		\$463,983

e. Waiver and Expense Reimbursements

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

f. Other Affiliated Transactions

At January 31, 2021, Franklin Floating Rate Fund, PLC owned 100% of the Fund's outstanding shares. Investment activities of this shareholder could have a material impact on the Fund.

4. EXPENSE OFFSET ARRANGEMENT

The Fund has entered into an arrangement with their custodian whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the Fund's custodian expenses. During the period ended January 31, 2021, the custodian fees were reduced as noted in the Statement of Operations.

5. INCOME TAXES

At January 31, 2021, the cost of investments and net unrealized appreciation (depreciation) for income tax purposes were as follows:

Cost of investments	\$420,194,677
Unrealized appreciation	\$6,793,941
Unrealized depreciation	(83,959,040)
Net unrealized appreciation (depreciation)	\$(77,165,099)

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

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

6. INVESTMENT TRANSACTIONS

Purchases and sales of investments (excluding short term securities) for the period ended January 31, 2021, aggregated \$91,141,877 and \$150,662,529, respectively.

7. CREDIT RISK AND DEFAULTED SECURITIES

At January 31, 2021, the Fund had 81.5% of its portfolio invested in high yield securities, senior secured floating rate loans, or other securities rated below investment grade and unrated securities, if any. These securities may be more sensitive to economic conditions causing greater price volatility and are potentially subject to a greater risk of loss due to default than higher rated securities.

The Fund held defaulted securities and/or other securities for which the income has been deemed uncollectible. At January 31, 2021, the aggregate value of these securities was \$12,697,142, representing 3.8% of the Fund's net assets. The Fund discontinues accruing income on securities for which income has been deemed uncollectible and provides an estimate for losses on interest receivable. The securities have been identified in the accompanying Statement of Investments.

8. NOVEL CORONAVIRUS PANDEMIC

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

9. RESTRICTED SECURITIES

The Fund invests in securities that are restricted under the Securities Act of 1933 (1933 Act). Restricted securities are often purchased in private placement transactions, and cannot be sold without prior registration unless the sale is pursuant to an exemption under the 1933 Act. Disposal of these securities may require greater effort and expense, and prompt sale at an acceptable price may be difficult. The Fund may have registration rights for restricted securities. The issuer generally incurs all registration costs.

At January 31, 2021, investments in restricted securities, excluding securities exempt from registration under the 1933 Act, were as follows:

Shares	Issuer	Acquisition Date	Cost	Value
Franklin Floating Rate Master Series				
563,596	^a Appvion Operations, Inc.	6/14/18–4/12/19	\$5,922,237	\$9,451,775
1,048,435	Remington Outdoor Co., Inc.	4/13/12–4/12/19	43,510,469	–
Total Restricted Securities				
(Value is 2.85% of Net Assets)			<u>\$49,432,706</u>	<u>\$9,451,775</u>

^a The Fund also invests in unrestricted securities of the issuer, valued at \$4,107,885 as of January 31, 2021.

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

10. HOLDINGS OF 5% VOTING SECURITIES OF PORTFOLIO COMPANIES

The 1940 Act defines “affiliated companies” to include investments in portfolio companies in which a fund owns 5% or more of the outstanding voting securities. During the period ended January 31, 2021, investments in “affiliated companies” were as follows:

	Value at Beginning of Period	Purchases	Sales	Realized Gain (Loss)	Net Change in Unrealized Appreciation (Depreciation)	Value at End of Period	Number of Shares/Principal Amount Held at End of Period	Investment Income
Non-Controlled Affiliates								
							<u>Dividends</u>	
Appvion Operations, Inc.	\$11,034,433	\$—	\$—	\$—	\$(1,582,658)	\$9,451,775	563,596	\$—
Remington Outdoor Co., Inc.	262,109	—	—	—	(262,109)	—	1,048,435	—
Remington Outdoor Co., Inc., Litigation Units	—	—	—	—	—	—	98,704	—
							<u>Interest</u>	
Appvion Operations, Inc., Term Loan, 7.337%, (3-month USD LIBOR + 6%)	5,483,153	1,250 ^a	(1,449,171) ^a	1,744	70,909	4,107,885	4,145,882	193,710
Total Affiliated Securities (Value is 4.1% of Net Assets)	\$16,779,695	\$1,250	\$(1,449,171)	1,744	\$(1,773,858)	\$13,559,660		\$193,710

^aMay include accretion, amortization, partnership adjustments, and/or corporate actions.

11. SHAREHOLDER DISTRIBUTIONS

For the period ended January 31, 2021, the Fund made the following distributions:

Payment Date	Amount Per Share
8/31/2020	\$0.033759
9/30/2020	0.033033
10/30/2020	0.033140
11/30/2020	0.030121
12/31/2020	0.027713
1/29/2021	0.025190
Total	\$0.182956

12. CREDIT FACILITY

The Fund, together with other U.S. registered and foreign investment funds (collectively, Borrowers), managed by Franklin Templeton, are borrowers in a joint syndicated senior unsecured credit facility totaling \$2 billion (Global Credit Facility) which matured on February 5, 2021. This Global Credit Facility provides a source of funds to the Borrowers for temporary and emergency purposes, including the ability to meet future unanticipated or unusually large redemption requests. Effective February 5, 2021, the Borrowers renewed the Global Credit Facility for a one year term, maturing February 4, 2022, for a total of \$2.675 billion.

Under the terms of the Global Credit Facility, the Fund shall, in addition to interest charged on any borrowings made by the Fund and other costs incurred by the Fund, pay its share of fees and expenses incurred in connection with the implementation and maintenance of the Global Credit Facility, based upon its relative share of the aggregate net assets of all of the Borrowers, including an annual commitment fee of 0.15% based upon the unused portion of the Global Credit Facility. These fees are reflected in other expenses in the Statement of Operations. During the period ended January 31, 2021, the Fund did not use the Global Credit Facility.

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

13. FAIR VALUE MEASUREMENTS

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

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

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

A summary of inputs used as of January 31, 2021, in valuing the Fund's assets carried at fair value, is as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments in Securities:				
Common Stocks:				
Aerospace & Defense	\$ —	\$ —	\$ — ^a	\$ —
Industrial Machinery	—	4,093,124	—	4,093,124
Leisure Facilities	—	234,020	—	234,020
Oil & Gas Exploration & Production	—	829,287	—	829,287
Paper Products	—	—	9,451,775	9,451,775
Trucking	—	—	117,091	117,091
Management Investment Companies	28,936,765	—	—	28,936,765
Preferred Stocks	—	635,506	—	635,506
Warrants	—	—	573	573
Corporate Bonds:				
Airlines	—	1,336,219	—	1,336,219
Broadcasting	—	1,163,145	—	1,163,145
Construction Materials	—	816,563	—	816,563
Oil & Gas Storage & Transportation	—	471,375	—	471,375
Packaged Foods & Meats	—	102,250	—	102,250
Specialty Stores	—	273,786	—	273,786
Corporate Bonds:				
Trucking	—	—	9,847,797	9,847,797
Wireless Telecommunication Services	—	360,076	—	360,076
Senior Floating Rate Interests	—	253,501,890	13,395,083	266,896,973
Escrows and Litigation Trusts	—	583,353	— ^a	583,353
Short Term Investments	—	16,879,900	—	16,879,900
Total Investments in Securities	\$ 28,936,765	\$ 281,280,494	\$ 32,812,319	\$ 343,029,578

^a Includes securities determined to have no value at January 31, 2021.

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

13. FAIR VALUE MEASUREMENTS (continued)

A reconciliation in which Level 3 inputs are used in determining fair value is presented when there are significant Level 3 assets and/or liabilities at the beginning and/or end of the year. At January 31, 2021, the reconciliation is as follows:

	Balance at Beginning of Period	Purchases	Sales	Transfer Into Level 3	Transfer Out of Level 3	Cost Basis Adjustments ^a	Net Realized Gain (Loss)	Net Unrealized Appreciation (Depreciation)	Balance at End of Period	Net Change in Unrealized Appreciation (Depreciation) on Assets Held at Period End
Assets:										
Investments in Securities:										
Common Stocks										
Aerospace & Defense	\$262,109	\$—	\$—	\$—	\$—	\$—	\$—	\$(262,109)	\$— ^b	\$(262,109)
Paper Products	11,034,433	—	—	—	—	—	—	(1,582,658)	9,451,775	(1,582,658)
Trucking	171,018	—	—	—	—	—	—	(53,927)	117,091	(53,927)
Warrants Industrial Machinery	—	—	—	—	—	—	—	573	573	573
Corporate Bonds										
Trucking	8,881,805	—	—	—	—	473,588	—	492,404	9,847,797	492,404
Senior Floating Rate Interests										
Aerospace & Defense	13,196,628	29,704	(6,848,631)	—	—	5,479	30,017	(325,178)	6,088,019	(280,766)
Trucking	6,916,082	—	—	—	—	(90,015)	—	480,997	7,307,064	480,997
Escrows and Litigation Trusts										
	— ^b	—	—	—	—	—	—	—	— ^b	—
Total Investments in Securities	\$40,462,075	\$29,704	\$(6,848,631)	\$—	\$—	\$389,052	\$30,017	\$(1,249,898)	\$32,812,319	\$(1,205,486)

^a May include accretion, amortization, partnership adjustments, and/or other cost basis adjustments.

^b Includes securities determined to have no value.

APPENDIX A (CONTINUED)

FINANCIAL STATEMENTS OF FRANKLIN FLOATING RATE MASTER TRUST

Franklin Floating Rate Master Series

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

13. FAIR VALUE MEASUREMENTS (continued)

Significant unobservable valuation inputs for material Level 3 assets and/or liabilities and impact to fair value as a result of changes in unobservable valuation inputs as of January 31, 2021, are as follows:

Description	Fair Value at End of Period	Valuation Technique	Unobservable Inputs	Amount	Impact to Fair Value if Input Increases ^a
Assets:					
Investments in Securities:					
Common Stocks:					
Paper Products	\$ 9,451,775	Discounted cash flow	Weighted average cost of capital	19.3%	Decrease ^b
			Free cash flow	\$107.5 mil	Increase ^b
			Discount for lack of marketability	8.9%	Decrease ^b
			Long term growth	2.5%	Increase
Corporate Bonds:					
Trucking	9,847,797	Discounted cash flow	Discount rate	15.6%	Decrease ^b
			Free cash flow	\$11.4 mil	Increase
Senior Floating Rate Interests:					
Aerospace & Defense	6,088,019	Recovery value	Asset value estimate	\$58.5 mil	Increase ^b
Trucking	7,307,064	Discounted cash flow	Discount rate	10.2%	Decrease ^b
			Free cash flow	\$8.6 mil	Increase
All Other Investments	117,664 ^{c,d}				
Total	\$ 32,812,319				

^a Represents the directional change in the fair value that would result from a significant and reasonable increase in the corresponding input. A significant and reasonable decrease in the input would have the opposite effect. Significant impacts, if any, to fair value and/or net assets have been indicated.

^b Represents a significant impact to fair value and net assets.

^c Includes financial instruments with values derived using private transaction prices or non-public third party pricing information which is unobservable. May also include fair value of immaterial financial instruments and developed using various valuation techniques and unobservable inputs.

^d Includes securities determined to have no value at January 31, 2021.

14. NEW ACCOUNTING PRONOUNCEMENTS

In March 2020, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2020-04, Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The amendments in the ASU provides optional temporary financial reporting relief from the effect of certain types of contract modifications due to the planned discontinuation of the London Interbank Offered Rate (LIBOR) and other interbank-offered based reference rates as of the end of 2021. The ASU is effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management has reviewed the requirements and believes the adoption of this ASU will not have a material impact on the financial statements.

15. SUBSEQUENT EVENTS

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

Abbreviations

Currency	Selected Portfolio
USD	United States Dollar
	ETF
	LIBOR
	PIK
	Exchange-Traded Fund
	London Inter-Bank Offered Rate
	Payment-In-Kind



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