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FRANKLIN FLOATING RATE TRUST

Form 425

December 08, 2004

Filed by Franklin Investors
Securities Trust, on behalf
Franklin Floating Rate Daily
Access Fund
Pursuant to Rule 425 under the
Securities Act of 1933

Subject Company: Franklin
Floating Rate Trust
Commission File No. 811-08271

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FOR IMMEDIATE RELEASE

Franklin Floating Rate Trust Announces Board Recommendation
to Merge Fund into Franklin Floating Rate Daily Access Fund

San Mateo, CA, December 7, 2004 -- Franklin Floating Rate Trust [XFFLX] ["Floating Rate Trust"], a registered closed-end investment company, announced that the Board of Trustees approved a proposal providing for the reorganization of Floating Rate Trust into Franklin Floating Rate Daily Access Fund ["Daily Access Fund"], a series of Franklin Investors Securities Trust, which is a registered open-end investment company. The proposed reorganization involves Daily Access Fund's acquisition of substantially all of the assets of Floating Rate Trust in exchange for Class A shares of Daily Access Fund, and the distribution of Class A shares of Daily Access Fund to shareholders of Floating Rate Trust as a part of the liquidation and dissolution of Floating Rate Trust. This transaction, which is expected to be tax-free, is subject to the approval of the shareholders of Floating Rate Trust. If approved, shares will be exchanged based on the respective net asset values of Floating Rate Trust and Class A shares of Daily Access Fund.

Floating Rate Trust's Board of Trustees plans to submit the proposed reorganization of Floating Rate Trust into Daily Access Fund to Floating Rate Trust's shareholders at a special meeting, currently expected to take place in March or April 2005. Any solicitation of proxies by Floating Rate Trust in connection with its shareholder meeting will be made only pursuant to separate proxy materials filed under federal securities laws. It is anticipated that these materials will be available in February 2005. There can be no assurances that the shareholders of Floating Rate Trust will vote in favor of the proposed reorganization.

Since Floating Rate Trust's inception in October 1997, the market for senior floating rate debt has matured and become more liquid. Daily Access Fund was launched as a retail open-end fund investing in substantially the same types

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of securities in May 2001. Management believes that there is no longer the need for the redundancy of fund offerings now presented by continuing to offer both Floating Rate Trust and Daily Access Fund, and that the more complicated, less liquid structure of the Floating Rate Trust is no longer needed in this instance.

Franklin Floating Rate Trust and Franklin Floating Rate Daily Access Fund are managed by Franklin Advisers, Inc., a wholly owned subsidiary of Franklin Resources, Inc. [NYSE:BEN], a global investment organization operating as Franklin Templeton Investments. Franklin Templeton Investments provides global and domestic investment management solutions managed by its Franklin, Templeton, Mutual Series and Fiduciary Trust investment teams. The San Mateo, CA-based company has more than 50 years of investment experience and over \$371 billion in assets under management as of October 31, 2004. For more information, please call 1-800/DIAL BEN(R) or visit franklintempleton.com.

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