

Edgar Filing: FRANKLIN FLOATING RATE TRUST - Form 40-17F2

requirements. Our responsibility is to express an opinion on management's assertion about the Funds' compliance based on our examination.

Our examination was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included examining, on a test basis, evidence about the Funds' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Included among our procedures were the following tests performed as of February 29, 2004, and with respect to agreement of security purchases and sales, for the periods indicated in Attachment I:

- o Inspection of the records of Franklin Templeton Investors Services, LLC as they pertain to the security positions owned by the Funds and held in book entry form.
- o Reconciliation of such security positions to the books and records of the Funds.
- o Agreement of a sample of security purchases and sales since our last report to the books and records of the Funds.

We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Funds' compliance with specified requirements.

In our opinion, management's assertion that the Funds were in compliance with the requirements of subsections (b) and (c) of Rule 17f-2 of the Investment Company Act of 1940 as of February 29, 2004 with respect to securities reflected in the investment accounts of the Funds is fairly stated, in all material respects.

This report is intended solely for the information and use of the Board of Trustees, management, and the Securities and Exchange Commission and is not intended to be and should not be used by anyone other than these specified parties.

/s/PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
San Francisco, California
July 5, 2006

MANAGEMENT STATEMENT REGARDING COMPLIANCE WITH CERTAIN PROVISIONS OF THE INVESTMENT COMPANY ACT OF 1940

We, as members of management of the Franklin Templeton Funds indicated in Attachment I (the "Funds"), are responsible for complying with the requirements of subsections (b) and (c) of Rule 17f-2, "Custody of Investments by Registered Management Investment Companies," of the Investment Company Act of 1940. We are also responsible for establishing and maintaining effective internal controls over compliance with those requirements. We have performed an evaluation of the Funds' compliance with the requirements of subsection (b) of Rule 17f-2, as interpreted in Franklin Investors Securities Trust SEC No-Action Letter (publicly available September 24, 1992), and subsection (c) of Rule 17f-2 of the Investment Company Act of 1940, as of February 29, 2004, and for the periods indicated in Attachment I.

Based on this evaluation, we assert that the Funds were in compliance with the

Edgar Filing: FRANKLIN FLOATING RATE TRUST - Form 40-17F2

requirements of subsection (b) of Rule 17f-2, as interpreted in Franklin Investors Securities Trust SEC No-Action Letter (publicly available September 24, 1992), and subsection (c) of Rule 17f-2 of the Investment Company Act of 1940, as of February 29, 2004, and for the periods indicated in Attachment I, with respect to securities reflected in the investment accounts of the Funds.

By:

/s/ Galen G. Vetter

GALEN G. VETTER
CHIEF FINANCIAL OFFICER
June 21, 2006

Date

/s/ Jimmy D. Gambill

JIMMY D. GAMBILL
SENIOR VICE PRESIDENT AND CHIEF EXECUTIVE
OFFICER-FINANCE AND ADMINISTRATION

June 26, 2006

Date

ATTACHMENT I

FUND

PERIODS COVERED

FRANKLIN TEMPLETON FUND ALLOCATOR SERIES:

Franklin Templeton Conservative Target Fund	October 31, 2003 - February 29, 2004
Franklin Templeton Moderate Target Fund	October 31, 2003 - February 29, 2004
Franklin Templeton Growth Target Fund	October 31, 2003 - February 29, 2004
Franklin Templeton Corefolio Allocation Fund	December 31, 2003 - February 29, 2004
Franklin Templeton Founding Funds Allocation Fund	December 31, 2003 - February 29, 2004

FRANKLIN STRATEGIC SERIES:

Franklin Aggressive Growth Fund	September 30, 2003 - February 29, 2004
Franklin U.S. Long-Short Fund	September 30, 2003 - February 29, 2004
Franklin Natural Resources Fund	September 30, 2003 - February 29, 2004
Franklin Biotechnology Discovery Fund	September 30, 2003 - February 29, 2004
Franklin Blue Chip Fund	September 30, 2003 - February 29, 2004
Franklin Global Health Care Fund	September 30, 2003 - February 29, 2004

Edgar Filing: FRANKLIN FLOATING RATE TRUST - Form 40-17F2

Franklin Global Communications Fund	September 30, 2003 - February 29, 2004
Franklin Strategic Income Fund	September 30, 2003 - February 29, 2004
Franklin Flex Cap Growth Fund	September 30, 2003 - February 29, 2004
Franklin Technology Fund	September 30, 2003 - February 29, 2004
Franklin Small Cap Growth Fund II	September 30, 2003 - February 29, 2004
Franklin Small-Mid Cap Growth Fund	September 30, 2003 - February 29, 2004

FRANKLIN REAL ESTATE SECURITIES TRUST:

Franklin Real Estate Securities Fund	October 31, 2003 - February 29, 2004
--------------------------------------	--------------------------------------

FRANKLIN FLOATING RATE TRUST

September 30, 2006 - February 29, 2004

FRANKLIN MULTI-INCOME TRUST

August 31, 2003 - February 29, 2004