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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](http://franklintempleton.com).

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