

Luxembourg, 20 February 2013

Dear Shareholder,

Re: Information for UK investors – UK Reporting Fund Status

Franklin Floating Rate II Fund, a sub-fund of the Luxembourg registered SICAV Franklin Templeton Series II Funds has been granted UK Reporting Fund Status for the accounting year to 31 October 2012, for the A(Ydis) and I(Mdis) share classes.

This is relevant for investors chargeable to UK tax. Such investors will be subject to UK income tax on dividends received and on any “UK Reportable Income” that is not distributed. “UK Reportable Income” is the total net income earned by the fund calculated under UK generally accepted accounting practice. The excess reportable income and the distributions per share are stated in the table (please see overleaf) in the fund currency of US Dollars.

Both share classes remain UK Reporting Funds as at 28 February 2013.

Yours faithfully,

On behalf of Franklin Templeton Series II Funds



William Jackson
Chairman

Appendix 1
UK Reporting Fund Status Excess Income

This table details the excess reportable income in the fund currency of US Dollars relevant for investors chargeable to UK Tax. If you are uncertain of your UK tax position we recommend that you seek professional advice.

Share Class Name	Date	Class A (Ydis) USD	Class I (Mdis) USD
Fund currency		USD	USD
Distribution	15 December 2011		\$0.0320
Distribution	16 January 2012		\$0.0340
Distribution	15 February 2012		\$0.0320
Distribution	15 March 2012		\$0.0510
Distribution	18 April 2012		\$0.0390
Distribution	15 May 2012		\$0.0350
Distribution	15 June 2012		\$0.0380
Distribution	16 July 2012		\$0.0360
Distribution	16 August 2012		\$0.0310
Distribution	17 September 2012		\$0.0330
Distribution	15 October 2012		\$0.0300
Distribution	9 November 2012	\$0.400	N/A
Distribution	16 November 2012		\$0.0300
Excess reportable income	28 February 2013	Nil	Nil