



**FRANKLIN TEMPLETON  
INVESTMENTS**

**FRANKLIN TEMPLETON SERIES II FUNDS**

Société d'investissement à capital variable  
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Luxembourg, 17 February 2012

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 with effect from the accounting year to 31 October 2011, 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 Fund status as at 28 February 2012

Thank you for investing in Franklin Templeton Series II Funds.

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.

<b>Share Class Name</b>	<b>Date</b>	<b>Class A (Ydis) USD</b>	<b>Class I (Mdis) USD</b>
Fund currency		USD	USD
Distribution	15 December 2010		\$0.0390
Distribution	15 January 2011		\$0.0420
Distribution	15 February 2011		\$0.0380
Distribution	15 March 2011		\$0.0370
Distribution	15 April 2011		\$0.0410
Distribution	15 May 2011		\$0.0300
Distribution	15 June 2011		\$0.0270
Distribution	15 July 2011		\$0.0290
Distribution	15 August 2011		\$0.0340
Distribution	15 September 2011		\$0.0300
Distribution	15 October 2011		\$0.0300
Distribution	15 November 2011	\$0.3850	\$0.0320
Excess reportable income	16 January 2012	\$0.0037	\$0.0304