

FRANKLIN FLOATING RATE TRUST
Form N-Q
December 29, 2004

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-08271

FRANKLIN FLOATING RATE TRUST
(Exact name of registrant as specified in charter)

ONE FRANKLIN PARKWAY, SAN MATEO, CA 94403-1906
(Address of principal executive offices) (Zip code)

MURRAY L. SIMPSON, ONE FRANKLIN PARKWAY, SAN MATEO, CA 94403-1906
(Name and address of agent for service)

Registrant's telephone number, including area code: 650 312-2000

Date of fiscal year end: 7/31

Date of reporting period: 10/31/04

Item 1. Schedule of Investments.

FRANKLIN FLOATING RATE TRUST

QUARTERLY STATEMENT OF INVESTMENTS
OCTOBER 31, 2004

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[LOGO] (R)
FRANKLIN (R) TEMPLETON (R)
INVESTMENTS

FRANKLIN o Templeton o Mutual Series

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FRANKLIN FLOATING RATE TRUST

STATEMENT OF INVESTMENTS, OCTOBER 31, 2004 (UNAUDITED)

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| | COUNTRY | P |
|---|---------------|---|
| Bonds 1.6% | | |
| Broadcasting 1.0% | | |
| Paxson Communications Corp., senior secured note, 144A, 4.35%, 1/15/10 | United States | |
| Comcorp Holdings Inc., PIK, 12.50%, 6/04/10 | United States | |
| Financial Conglomerates .2% | | |
| Finova Group Inc., 7.50%, 11/15/09 | United States | |
| Steel .4% | | |
| Ispat Inland ULC, senior secured note, 8.35%, 4/01/10 | United States | |
| Wireless Communications | | |
| Cricket Communications Inc., senior secured note, PIK, 13.00%, 8/16/11 | United States | |
| Total Bonds (Cost \$21,448,458) | | |
| Senior Floating Rate Interests 83.0% | | |
| Advertising/Marketing Services .3% | | |
| Adams Outdoor Advertising, Second Lien Term Loan, 5.58%, 4/05/12 | United States | |
| Term Loan, 4.23 - 4.33%, 10/05/11 | United States | |
| (a)DIMAC Holdings, Term Loan B, 10.00%, 3/31/05 | United States | |
| Aerospace & Defense 2.0% | | |
| Anteon International Corp., Term Loan B, 3.725%, 12/19/10 | United States | |
| CACI International Inc., Term Loan B, 3.21 - 3.45%, 4/23/11 | United States | |
| DRS Technologies Inc., Term Loan B, 3.53 - 4.01%, 11/04/10 | United States | |
| ILC Industries Inc., First Lien Term Loan, 4.90%, 8/04/10 | United States | |
| Second Lien Term Loan, 7.65%, 2/05/11 | United States | |
| Standard Aero Holdings Inc., Term Loan B, 4.451 - 4.525%, 8/18/12 | United States | |
| Titan Corp., Term Loan B, 4.61 - 4.69%, 2/23/06 | United States | |
| TransDigm Inc., Term Loan B, 4.09%, 7/22/10 | United States | |
| United Defense Industries Inc., Term Loan B, 3.96 - 3.98%, 8/13/09 | United States | |
| Vought Aircraft Industries, Term Loan B, 3.50%, 6/30/07 | United States | |
| Term Loan C, 3.50%, 6/30/08 | United States | |
| Term Loan X, 5.21%, 12/31/06 | United States | |
| Apparel/Footwear .2% | | |
| St. John Knits Inc., Term Loan B, 5.938%, 7/31/07 | United States | |

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STATEMENT OF INVESTMENTS, OCTOBER 31, 2004 (UNAUDITED) (CONTINUED)

| | COUNTRY | P |
|--|---------------|---|
| Senior Floating Rate Interests (cont.) | | |
| Auto Parts: Original Equipment Manufacturer 4.7% | | |
| Dayco Products LLC, Term Loan B, 4.87 - 5.12%, 6/18/11 | United States | |
| Exide Technologies, | | |
| USD EURO Borrower, 5.25%, 5/04/10 | United States | |
| USD US Borrower, 5.25%, 5/04/10 | United States | |
| Federal-Mogul Corp., DIP, Term Loan, 4.938%, 2/06/05 | United States | |
| GenCorp Inc., Term Loan B, 5.875%, 3/28/07 | United States | |
| Grand Vehicle Works, Term Loan B, 4.92 - 5.08%, 7/23/10 | United States | |
| Hayes Lemmerz, Term Loan, 5.33 - 6.00%, 6/03/09 | United States | |
| Hilite International Inc., Term Loan B, 6.21 - 6.56%, 3/31/09 | United States | |
| Key Plastics and Key Safety, | | |
| First Lien Term Loan, 4.78 - 4.84%, 7/31/10 | United States | |
| Term Loan C, 7.53 - 7.71%, 7/31/11 | United States | |
| Metaldyne Corp., Term Loan D, 6.313%, 12/31/09 | United States | |
| Plastech Engineered Products Inc., First Lien Term Loan, 4.73%, 3/11/10 | United States | |
| Progressive Moulded Products, Term Loan B, 4.52 - 4.844%, 8/13/11 | Canada | |
| Tenneco Automotive Inc., | | |
| L/C Term Loan, 4.88%, 12/12/10 | United States | |
| Term Loan B, 4.84%, 12/12/10 | United States | |
| TRW Automotive Inc., | | |
| Term Loan A1, 3.625%, 2/28/09 | United States | |
| Term Loan D1, 4.125%, 2/28/11 | United States | |
| Term Loan E, 5.25%, 10/31/10 | United States | |
| Automotive Aftermarket .3% | | |
| Keystone Automotive Operations Inc., Term Loan, 4.25 - 4.438%, 10/30/09 | United States | |
| United Components Inc., Term Loan C, 4.00%, 6/30/10 | United States | |
| Beverages: Alcoholic .2% | | |
| Constellation Brands Inc., Term Loan B, 3.50%, 11/30/08 | United States | |
| Southern Wine & Spirits of America Inc., Term Loan B, 4.23%, 6/21/08 | United States | |
| Beverages: Non-Alcoholic .4% | | |
| Dr. Pepper Bottling Co. of Texas, Term Loan, 4.16 - 4.47%, 12/18/10 | United States | |
| Sunny Delight Beverages Co., First Lien Term Loan, 5.98%, 8/23/10 | United States | |
| Broadcasting 1.7% | | |
| Cumulus Media Inc., Term Loan E, 3.625%, 3/28/10 | United States | |
| Emmis Operating Co., Term Loan B, 3.59%, 11/10/11 | United States | |
| Entravision Communications Corp., Multi-Draw Term Loan, 3.65%, 2/23/12 | United States | |

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Term Loan B, 3.65%, 2/23/12 United States

4 | Quarterly Statement of Investments

FRANKLIN FLOATING RATE TRUST

STATEMENT OF INVESTMENTS, OCTOBER 31, 2004 (UNAUDITED) (CONTINUED)

| | COUNTRY | P |
|--|----------------|---|
| ----- | | |
| Senior Floating Rate Interests (cont.) | | |
| Broadcasting (cont.) | | |
| Gray Television, Term Loan C, 3.45 - 3.76%, 12/31/10 | United States | |
| Mission Broadcasting Inc., Term Loan D, 3.73%, 12/31/10 | United States | |
| NEP Supershooters LP, First Lien Term Loan, 5.70%, 2/03/11 | United States | |
| Nexstar Finance LLC, Term Loan D, 3.35%, 12/31/10 | United States | |
| Sinclair Broadcasting, | | |
| Term Loan A, 3.71%, 6/30/09 | United States | |
| Term Loan C, 3.71%, 12/31/09 | United States | |
| | | |
| Building Products 1.6% | | |
| Atrium Cos. Inc., Term Loan, 4.70 - 4.82%, 11/30/08 | United States | |
| Builders FirstSource Inc., Term Loan, 5.04%, 3/17/10 | United States | |
| Building Materials Holding Corp., Term Loan B, 4.75%, 8/13/10 | United States | |
| Headwaters Inc., Term Loan B, 5.33 - 7.00%, 4/30/11 | United States | |
| Masonite International Corp., | | |
| Term Loan C, 4.563%, 8/31/08 | United States | |
| Term Loan C2, 4.063%, 8/31/08 | United States | |
| NCI Building Systems, Term Loan B, 3.82 - 3.84%, 6/07/10 | United States | |
| Norcraft Cos. LP, Term Loan, 4.96%, 10/21/09 | United States | |
| Nortek Inc., Term Loan, 4.62 - 6.25%, 8/25/11 | United States | |
| Ply Gem Industries Inc., Incremental Term Loan, 4.59%, 2/12/11 | United States | |
| | | |
| Cable/Satellite Television 8.1% | | |
| Bresnan Broadband Holdings LLC, | | |
| Term Loan A, 5.73 - 6.01%, 3/31/10 | United States | |
| Term Loan B, 5.31 - 5.48%, 9/30/10 | United States | |
| Century Cable (Adelphia), | | |
| Discretionary Term Loan, 6.75%, 12/31/09 | United States | |
| Term Loan, 6.75%, 12/31/09 | United States | |
| Charter Communications Operating LLC, Term Loan B, 5.29 - 5.38%, | | |
| 4/23/11 | United States | |
| DirecTV Holdings LLC, Term Loan, 3.95 - 4.07%, 3/06/10 | United States | |
| Grapeclose Ltd. (Inmarsat), | | |
| Term Loan B, 4.829 - 4.889%, 10/10/10 | United Kingdom | |
| Term Loan C, 5.329 - 5.389%, 10/10/11 | United Kingdom | |
| Insight Midwest, | | |
| Additional Term Loan, 4.75%, 12/31/09 | United States | |
| Term Loan B, 4.563%, 12/31/09 | United States | |
| MCC Iowa (Broadband), Term Loan B1, 4.17 - 4.48%, 9/12/10 | United States | |
| Mediacom LLC Group, Term Loan B, 4.16 - 4.47%, 4/01/13 | United States | |

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| | |
|---|----------------|
| (b)NTL Investment Holdings, Term Loan B, 5.204%, 5/31/12 | United Kingdom |
| Olympus Cable Holdings (Adelphia), Term Loan B, 6.75%, 9/30/10 | United States |
| Panamsat Corp., Term Loan B, 4.66%, 8/01/11 | United States |
| UCA-HHC (Adelphia), Term Loan, 6.00%, 3/31/08 | United States |
| UPC Distribution Holdings B.V., Term Loan C2, 7.325 - 7.3813%, 3/31/09 | United States |

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FRANKLIN FLOATING RATE TRUST

STATEMENT OF INVESTMENTS, OCTOBER 31, 2004 (UNAUDITED) (CONTINUED)

| | COUNTRY | P |
|---|---------------|---|
| ----- | | |
| Senior Floating Rate Interests (cont.) | | |
| Casinos/Gaming 2.7% | | |
| Alliance Gaming Corp., Term Loan B, 3.538%, 8/22/09 | United States | |
| Ameristar Casinos Inc., Term Loan B1, 4.00%, 12/20/06 | United States | |
| Boyd Gaming, Term Loan B, 3.69 - 3.92%, 5/14/11 | United States | |
| Global Cash Access LLC, Term Loan, 4.71%, 3/10/10 | United States | |
| Greektown Casinos, Term Loan D, 5.19 - 5.34%, 12/31/05 | United States | |
| Green Valley Ranch Gaming LLC, Term Loan B, 4.725%, 12/05/10 | United States | |
| Isle of Capri, Term Loan B, 3.98 - 4.225%, 4/25/08 | United States | |
| Isle of Capri Black Hawk LLC, Term Loan C, 4.68 - 5.06%, 12/31/07 | United States | |
| Marina District Finance Co. Inc., Term Loan B, 3.93%, 10/14/11 | United States | |
| Penn National Gaming Inc., Term Loan D, 4.48%, 3/03/09 | United States | |
| Scientific Games Corp., Term Loan C, 4.50%, 12/31/09 | United States | |
| Venetian Casino Resorts, Term Loan B, 4.29%, 8/01/11 | United States | |
| Catalog/Specialty Distribution .1% | | |
| Affinity Group Inc., | | |
| Term Loan B1, 5.975 - 6.02%, 6/23/09 | United States | |
| Term Loan B2, 5.975%, 6/23/09 | United States | |
| Oriental Trading Co. Inc., Term Loan B, 4.75%, 7/29/10 | United States | |
| Chemicals: Major Diversified 1.7% | | |
| Celanese, Term Loan, 4.48 - 4.53%, 4/06/11 | Luxembourg | |
| Huntsman International LLC, Term Loan B, 5.188%, 12/31/10 | United States | |
| Huntsman LLC, Term Loan B, 5.44%, 3/31/10 | United States | |
| (b)Invista Canada Co., Term Loan B2, 4.75%, 4/29/11 | Canada | |
| (b)Invista SARL, Term Loan B1, 4.75%, 4/29/11 | Luxembourg | |
| Chemicals: Specialty 1.5% | | |
| Brenntag, Term Loan B2, 4.922%, 2/27/12 | United States | |

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| | |
|---|---------------|
| Ineos Group Ltd., Term Loan C, 5.476 - 5.671%, 6/30/09 | United States |
| Nalco Co., Term Loan B, 4.42 - 4.43%, 11/04/10 | United States |
| Rockwood Specialties Group Inc., Term Loan B, 4.63%, 7/30/11 | United States |
| Sovereign Specialty Chemicals Inc., Term Loan B, 6.341%, 12/31/07 | United States |
| Westlake Chemical Corp., Term Loan B, 4.27 - 7.50%, 7/31/10 | United States |

| | |
|---|---------------|
| Coal .3% | |
| CONSOL Energy Inc., Term Loan B, 4.34%, 6/08/10 | United States |
| Foundation Coal, Term Loan B, 4.04%, 7/30/11 | United States |

| | |
|---|---------------|
| Commercial Printing/Forms .1% | |
| American Reprographics, Term Loan B, 4.84%, 6/17/09 | United States |

| | |
|--|--------|
| Construction Materials .2% | |
| St. Marys Cement Inc., Term Loan B, 3.975%, 11/24/09 | Canada |

6 | Quarterly Statement of Investments

FRANKLIN FLOATING RATE TRUST

STATEMENT OF INVESTMENTS, OCTOBER 31, 2004 (UNAUDITED) (CONTINUED)

| | COUNTRY | P |
|--|---------------|---|
| Senior Floating Rate Interests (cont.) | | |
| Consumer Sundries .7% | | |
| Central Garden & Pet Co., Term Loan, 4.21%, 5/14/09 | United States | |
| NBTY Inc., Term Loan C, 3.75%, 7/22/09 | United States | |
| Rayovac Corp., Term Loan C, 4.213 - 4.56%, 10/01/09 | United States | |
| United Industries Corp., | | |
| Second Lien Term Loan, 6.48%, 10/31/11 | United States | |
| Term Loan B, 4.48 - 4.63%, 4/30/11 | United States | |
| Containers/Packaging 1.4% | | |
| ACI Operations Property Ltd., Term Loan A, 4.48%, 4/01/07 | Australia | |
| Berry Plastics Corp., Term Loan C, 3.71%, 7/22/10 | United States | |
| Graham Packaging Co., | | |
| First Lien Term Loan, 4.375 - 6.25%, 9/01/11 | United States | |
| Second Lien Term Loan, 6.125%, 3/01/12 | United States | |
| Graphic Packaging International Corp., Term Loan C, 4.46 - 4.63%, | | |
| 8/08/10 | United States | |
| Greif Brothers, Term Loan B, 3.88%, 8/15/09 | United States | |
| Kerr Group Inc., Term Loan B, 5.48 - 7.00%, 8/11/10 | United States | |
| Owens-Brockway Glass Container Inc., Term Loan B, 4.64%, 4/01/08 | United States | |

Data Processing Services .3%

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| | | |
|--|--|---------------|
| InfoUSA Inc., | | |
| Term Loan A, 4.17%, 3/25/08 | | United States |
| Term Loan B, 6.411%, 6/04/10 | | United States |
| | | |
| Drug Store Chains 1.4% | | |
| Duane Reade Inc., Term Loan, 5.21%, 7/30/10 | | United States |
| General Nutrition Centers Inc., Term Loan, 4.94%, 12/04/09 | | United States |
| Jean Coutu Group, Term Loan B, 4.25 - 4.438%, 7/28/11 | | United States |
| Rite Aid Corp., Term Loan, 3.59 - 3.68%, 8/23/09 | | United States |
| | | |
| Electric Utilities 4.1% | | |
| AES Corp., Term Loan B, 4.00 - 6.00%, 4/30/08 | | United States |
| Calpine Corp., Second Lien Term Loan, 7.82%, 7/15/07 | | United States |
| Calpine Generating Co., First Priority Term Loan, 5.59%, 3/22/09 | | United States |
| Centerpoint Energy Inc., Term Loan B, 5.34%, 10/07/06 | | United States |
| Cogentrix Delaware Holdings Inc., Term Loan, 4.21%, 2/19/09 | | United States |
| Coletto Creek WLE LP, | | |
| Term Loan B, 4.225%, 7/31/11 | | United States |
| Term Loan C, 5.63%, 7/31/12 | | United States |
| Dynegy Holdings Inc., Term Loan B, 5.84%, 5/27/10 | | United States |
| Midwest Generation, Term Loan, 4.38 - 5.47%, 4/27/11 | | United States |
| NRG Energy, Term Loan B, 1.875 - 5.93%, 6/23/10 | | United States |
| Pike Electric Inc., Term Loan B, 4.125%, 7/02/12 | | United States |
| Quanta Services Inc., Term Loan B, 1.84 - 4.89%, 12/15/08 | | United States |

Quarterly Statement of Investments | 7

FRANKLIN FLOATING RATE TRUST

STATEMENT OF INVESTMENTS, OCTOBER 31, 2004 (UNAUDITED) (CONTINUED)

| | COUNTRY | P |
|--|----------------|---|
| ----- | | |
| Senior Floating Rate Interests (cont.) | | |
| Electric Utilities (cont.) | | |
| Teton Power Funding LLC, Term Loan B, 5.16%, 2/20/11 | United States | |
| TNP Enterprises, Term Loan, 6.983%, 12/31/06 | United States | |
| | | |
| Electrical Products .1% | | |
| Energys Capital Inc., Term Loan D, 3.62 - 3.921%, 3/17/11 | United States | |
| | | |
| Electronic Components .2% | | |
| Seagate Technology HDD Holdings, Term Loan B, 3.938%, 5/13/07 | Cayman Islands | |
| Seagate Technology (US) Holdings, Term Loan B, 3.938%, 5/13/07 | United States | |
| | | |
| Electronics/Appliances .6% | | |
| (b)Alliance Laundry Systems LLC, Term Loan, 5.025%, 7/31/09 | United States | |

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Directed Electronics Inc., Term Loan, 6.14 - 6.38%, 6/15/10 United States
 Juno Lighting Inc., First Lien Term Loan, 4.34 - 6.25%, 10/21/10 United States

Engineering & Construction 1.0%
 Brand Services Inc., Term Loan B, 5.09 - 5.21%, 10/16/09 United States
 URS Corp., Term Loan B, 3.941%, 8/22/08 United States
 Washington Group, Synthetic Term Loan, 1.86%, 10/01/07 United States

Environmental Services 1.6%
 Allied Waste North America Inc.,
 L/C Term Loan, 4.119%, 1/15/10 United States
 Term Loan B, 4.42 - 4.63%, 1/15/10 United States
 Term Loan C, 4.63 - 4.67%, 1/15/10 United States
 Duratek Inc., Term Loan B, 5.938 - 6.125%, 12/16/09 United States
 EnviroSolutions Inc.,
 Delay Draw, 6.35%, 3/01/09 United States
 Term Loan B, 6.35%, 3/01/09 United States
 IESI Corp., Term Loan, 5.07 - 5.09%, 10/10/10 United States
 Waste Connections Inc., Term Loan, 3.37 - 3.66%, 10/22/10 United States

Finance/Rental/Leasing .5%
 United Rentals (North America) Inc.,
 L/C Term Loan, 4.03 - 4.21%, 2/11/11 United States
 Term Loan B, 3.611%, 2/11/11 United States

Food Distributors .2%
 Doane Pet Care Co.,
 Term Loan B, 6.86%, 12/31/05 United States
 Term Loan C, 7.23%, 12/31/06 United States

8 | Quarterly Statement of Investments

FRANKLIN FLOATING RATE TRUST

STATEMENT OF INVESTMENTS, OCTOBER 31, 2004 (UNAUDITED) (CONTINUED)

| | COUNTRY | P |
|--|---------------|---|
| Senior Floating Rate Interests (cont.) | | |
| Food Distributors (cont.) | | |
| OSI Group LLC, | | |
| Dutch Term Loan, 4.27%, 9/02/11 | United States | |
| German Term Loan, 4.27%, 9/02/11 | United States | |
| U.S. Term Loan, 4.27%, 9/02/11 | United States | |

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Food: Major Diversified 1.9%

| | |
|--|---------------|
| Birds Eye Foods Inc. (Agrilink Foods), Term Loan B, 4.71%, 8/08/08 | United States |
| Del Monte Corp., Term Loan B, 4.38%, 12/20/10 | United States |
| Dole Food Co. Inc., Term Loan D, 4.00 - 4.375%, 3/28/08 | United States |
| Luiginos Inc., Term Loan, 4.813 - 5.00%, 4/02/11 | United States |
| Pinnacle Foods Holding Corp., Term Loan B, 4.20 - 4.26%, 11/25/10 | United States |

Food: Meat/Fish/Dairy .5%

| | |
|--|---------------|
| American Seafoods, Term Loan B, 4.25 - 4.438%, 4/15/09 | United States |
| Keystone Foods Intermediate LLC, Term Loan, 4.25 - 4.438%, 6/15/11 | United States |
| Land O'Lakes Inc., Term Loan B, 5.71%, 10/11/08 | United States |
| Michael Foods Inc., Term Loan B, 3.84 - 4.214%, 11/21/10 | United States |
| Pierre Foods Inc., Term Loan B, 4.30 - 4.48%, 6/29/10 | United States |

Food: Specialty/Candy 1.1%

| | |
|--|---------------|
| Atkins Nutritionals Inc., First Lien Term Loan, 5.23%, 11/21/09 | United States |
| Leiner Health Products Inc., Term Loan B, 4.89%, 6/09/11 | United States |
| Meow Mix, First Lien Term Loan, 6.12 - 6.20%, 8/21/09 | United States |
| Second Lien Term Loan, 8.84%, 8/21/09 | United States |
| Nellson Neutraceuticals Inc., First Lien Term Loan, 4.98%, 10/04/09 | United States |
| Second Lien Term Loan, 7.48%, 4/04/10 | United States |
| Otis Spunkmeyer Inc., Term Loan B, 5.625%, 6/21/11 | United States |
| Reddy Ice Group Inc., Term Loan, 4.46%, 8/15/09 | United States |

Forest Products .2%

| | |
|---|---------------|
| Roseburg Forest Products (RLC Industries), Term Loan B, 3.96%, 2/20/10 | United States |
|---|---------------|

Home Furnishings 1.3%

| | |
|---|---------------|
| Knoll Inc., Term Loan, 4.84%, 10/01/11 | United States |
| National Bedding Co., Term Loan B, 3.84 - 3.93%, 8/21/08 | United States |
| Sealy Mattress Co., Term Loan C, 4.29 - 4.34%, 4/02/12 | United States |
| Simmons Holdings Inc., Term Loan B, 3.875 - 4.75%, 12/02/11 | United States |
| Springs Industries Inc., Term Loan B, 6.00%, 9/05/08 | United States |

Home Improvement Chains .2%

| | |
|---|---------------|
| Harbor Freight Tools USA Inc., Term Loan B, 4.461 - 4.639%, 7/15/10 | United States |
|---|---------------|

Quarterly Statement of Investments | 9

FRANKLIN FLOATING RATE TRUST

STATEMENT OF INVESTMENTS, OCTOBER 31, 2004 (UNAUDITED) (CONTINUED)

COUNTRY

P

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Senior Floating Rate Interests (cont.)

Homebuilding .6%

| | |
|--|---------------|
| Lake Las Vegas Resort Lenders, Term Loan B, 4.516%, 11/01/09 | United States |
| LandSource Communities Development LLC, Term Loan B, 4.50%, 3/31/10 | United States |

Hospital/Nursing Management 2.1%

| | |
|---|---------------|
| Ardent Health Services LLC, Term Loan B, 5.75%, 8/12/11 | United States |
| Beverly Enterprises Inc., Term Loan B, 4.43 - 4.73%, 10/22/08 | United States |
| Community Health Systems Inc., Term Loan B, 3.54%, 8/19/11 | United States |
| Iasis Healthcare LLC, Term Loan B, 4.225 - 4.25%, 6/22/11 | United States |
| MedCath Corp., Term Loan B, 5.06 - 6.50%, 7/02/11 | United States |
| National Mentor Inc., Term Loan B, 7.00%, 11/01/11 | United States |
| Triad Hospitals Inc., Term Loan B, 4.21%, 9/30/08 | United States |
| Vanguard Health Holding Co. II LLC, Term Loan B, 4.21 - 5.31%, 9/23/11 | United States |

Hotel/Resorts/Cruiselines .1%

| | |
|--|---------------|
| Wyndham International Inc., Term Loan B, 6.625%, 6/30/06 | United States |
|--|---------------|

Household/Personal Care .3%

| | |
|---|---------------|
| Prestige Brands Inc., Term Loan B, 4.86%, 6/24/11 | United States |
|---|---------------|

Industrial Conglomerates 1.2%

| | |
|---|---------------|
| Invensys (BTR Dunlop), Bonding Facility, 4.821%, 3/05/09 | United States |
| Term Loan B, 4.611%, 9/05/09 | United States |
| Roper Industries Inc., Term Loan, 3.59 - 4.12%, 12/19/08 | United States |
| SPX Corp., Term Loan B, 3.938%, 9/30/09 | United States |
| TriMas Corp., Term Loan B, 5.50 - 5.625%, 12/06/09 | United States |

Industrial Machinery 1.6%

| | |
|---|---------------|
| Colfax Corp., Term Loan B, 4.875%, 5/30/09 | United States |
| Term Loan C, 8.25%, 5/30/10 | United States |
| Dresser Inc., Unsecured Term Loan, 5.19%, 3/01/10 | United States |
| Dresser-Rand Group Inc., Term Loan B, 4.068%, 10/26/11 | United States |
| Flowserve Corp., Term Loan C, 4.563 - 4.75%, 6/30/09 | United States |
| Gleason Corp., Term Loan, 4.52 - 4.70125%, 7/20/11 | United States |
| Itron Inc., Term Loan B, 4.25%, 11/24/10 | United States |
| Rexnord Corp., Term Loan, 5.01 - 6.50%, 11/25/09 | United States |
| Sensus Metering Systems Inc., Term Loan, 4.391 - 4.421%, 12/16/10 | United States |

10 | Quarterly Statement of Investments

FRANKLIN FLOATING RATE TRUST

STATEMENT OF INVESTMENTS, OCTOBER 31, 2004 (UNAUDITED) (CONTINUED)

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| | COUNTRY | P |
|---|---------------|---|
| Senior Floating Rate Interests (cont.) | | |
| Industrial Specialties .6% | | |
| Ionics Inc., Term Loan B, 4.73%, 2/01/11 | United States | |
| Polypore, Term Loan B, 4.21%, 11/13/11 | United States | |
| Information Technology Services 1.3% | | |
| Relizon Co., | | |
| (b) Incremental Term Loan, 5.02%, 2/20/11 | United States | |
| Term Loan B, 4.73%, 2/20/11 | United States | |
| Transfirst Holdings, Term Loan B, 5.70%, 3/31/10 | United States | |
| Verifone Inc., Term Loan B, 4.63%, 6/30/11 | United States | |
| Worldspan, Term Loan, 5.813 - 7.50%, 6/30/07 | United States | |
| Xerox Corp., Term Loan, 3.73%, 9/30/08 | United States | |
| Insurance Brokers/Services .3% | | |
| Alliant Resources Group Inc., Term Loan B, 5.475 - 5.67%, 8/31/11 | United States | |
| Investment Banks/Brokers .4% | | |
| Refco Group Ltd. LLC, Term Loan B, 4.66%, 7/28/11 | United States | |
| Life/Health Insurance .8% | | |
| Conseco Inc., Term Loan, 5.41%, 6/22/10 | United States | |
| Major Telecommunications .8% | | |
| Alec Holdings, Term Loan B, 5.25%, 8/20/10 | United States | |
| Consolidated Communications Inc., Term Loan B, 4.48 - 4.725%, 10/14/11 | United States | |
| (a) E.Spire Communications, Term Loan C, 8.75%, 8/01/06 | United States | |
| Qwest Corp., Term Loan A, 6.50%, 6/30/07 | United States | |
| (a) WCI Capital Corp., Term Loan B, 10.25%, 3/31/07 | United States | |
| (a) Winstar Communications Inc., DIP, 7.75%, 2/20/49 | United States | |
| Managed Health Care .3% | | |
| Multiplan Inc., Term Loan, 4.73%, 3/04/09 | United States | |
| Pacificare Health Systems Inc., Term Loan, 4.113 - 4.56%, 6/03/08 | United States | |
| Marine Shipping .2% | | |
| Horizon Lines LLC, Term Loan, 4.73%, 7/07/11 | United States | |
| (b) U.S. Shipping Partners LP, Term Loan, 3.87%, 4/25/09 | United States | |
| Media Conglomerates .3% | | |
| Canwest Media Inc., Term Loan E, 4.065%, 5/15/09 | Canada | |
| Medical Distributors .5% | | |
| VWR International Inc., Term Loan B, 4.58%, 4/07/11 | United States | |

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Quarterly Statement of Investments | 11

FRANKLIN FLOATING RATE TRUST

STATEMENT OF INVESTMENTS, OCTOBER 31, 2004 (UNAUDITED) (CONTINUED)

| | COUNTRY | P |
|---|---------------|---|
| Senior Floating Rate Interests (cont.) | | |
| Medical Specialties .5% | | |
| Conmed Corp., Term Loan C, 4.15 - 4.16%, 12/15/09 | United States | |
| DJ Orthopedics Inc., Term Loan B, 4.25 - 4.563%, 6/03/09 | United States | |
| Fisher Scientific International Inc., Term Loan B, 3.46%, 6/30/11 | United States | |
| Medex Inc., Term Loan B, 4.89%, 5/21/09 | United States | |
| PerkinElmer Inc., Term Loan B, 3.94%, 12/26/08 | United States | |
| Medical/Nursing Services 2.4% | | |
| Alliance Imaging, Term Loan C, 4.25 - 4.50%, 11/30/08 | United States | |
| Davita Inc., Term Loan B, 3.74 - 4.17%, 6/30/10 | United States | |
| Insight Health Services, Term Loan B, 5.475%, 10/17/08 | United States | |
| MedQuest Inc., Term Loan B, 5.73%, 7/31/09 | United States | |
| Sheridan Healthcare, Term Loan B, 4.44 - 6.50%, 3/31/10 | United States | |
| Team Health Inc., Term Loan B, 5.23%, 3/23/11 | United States | |
| US Oncology Inc., Term Loan B, 4.688 - 4.875%, 8/20/11 | United States | |
| Miscellaneous Commercial Services 2.1% | | |
| Buhrmann, Term Loan C1, 4.32%, 12/02/10 | United States | |
| CCC Information Services Inc., Term Loan B, 4.96%, 8/15/10 | United States | |
| Corrections Corp. (Prision Realty), Term Loan D, 3.96 - 4.36%, 3/31/08 .. | United States | |
| DS Waters Enterprises LP, Term Loan, 6.37 - 6.67%, 11/07/09 | United States | |
| Global Imaging Systems, Term Loan B, 3.68 - 3.98%, 5/15/10 | United States | |
| JohnsonDiversey Inc., Term Loan B, 4.425%, 5/03/08 | United States | |
| Language Lines Inc., Term Loan B, 6.16%, 6/11/11 | United States | |
| Mitchell International Inc., Term Loan B, 4.98%, 7/30/11 | United States | |
| US Investigations Services Inc., Term Loan C, 5.41%, 1/10/09 | United States | |
| Miscellaneous Manufacturing .6% | | |
| Day International Group Inc., Term Loan D, 5.46 - 5.48%, 1/01/10 | United States | |
| Mueller Group, Term Loan, 4.54 - 4.88%, 4/14/11 | United States | |
| Norcross Safety Products, Term Loan, 4.92%, 3/20/09 | United States | |
| Movies/Entertainment 5.4% | | |
| 24 Hour Fitness Inc., Term Loan, 5.375%, 7/01/09 | United States | |
| Brooklyn Basketball LLC (New Jersey), Term Loan B, 5.438%, 8/16/08 | United States | |
| Carmike Cinemas Inc., Term Loan, 5.225%, 2/02/09 | United States | |
| CH Operating LLC, Term Loan B, 6.50 - 6.563%, 6/21/07 | United States | |

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| | |
|--|---------------|
| Cinemark USA Inc., Term Loan, 4.06 - 4.35%, 4/02/11 | United States |
| Cinram International, Term Loan D, 4.80%, 9/30/09 | Canada |
| Detroit Red Wings Inc., Term Loan, 4.725%, 8/30/06 | United States |
| Hollywood Entertainment, Term Loan, 5.44 - 5.46%, 3/31/08 | United States |
| Loews Cineplex Entertainment Corp, Term Loan B, 3.94 - 4.09%, 7/30/11 | United States |
| Metro-Goldwyn-Mayer Studios Inc., Term Loan B, 4.48%, 4/30/11 | United States |
| Mets II LLC, Term Loan, 5.16%, 8/23/05 | United States |
| New Jersey Devils LLC, Term Loan, 5.66%, 9/30/06 | United States |

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FRANKLIN FLOATING RATE TRUST

STATEMENT OF INVESTMENTS, OCTOBER 31, 2004 (UNAUDITED) (CONTINUED)

| | COUNTRY | P |
|--|---------------|---|
| Senior Floating Rate Interests (cont.) | | |
| Movies/Entertainment (cont.) | | |
| Rainbow National Services LLC, Term Loan B, 4.50%, 3/31/12 | United States | |
| Regal Cinemas Inc., Term Loan B, 4.225%, 11/10/10 | United States | |
| Six Flags Theme Parks, Term Loan B, 4.19%, 6/30/09 | United States | |
| Warner Music, Term Loan B, 4.319 - 4.97%, 2/28/11 | United States | |
| Yankee Holdings, Term Loan, 4.194 - 4.29%, 6/25/07 | United States | |
| Yankee Nets, Term Loan, 4.24 - 4.60%, 6/25/07 | United States | |
| Oil & Gas Pipelines .1% | | |
| Magellan Midstream Holdings LP, Term Loan B, 4.65%, 6/17/08 | United States | |
| Oil & Gas Production .4% | | |
| Williams Production RMT Co., Term Loan C, 4.37%, 5/30/08 | United States | |
| Oil Refining/Marketing .7% | | |
| Getty Petroleum Marketing, Term Loan B, 5.23%, 5/18/10 | United States | |
| La Grange Acquisition LP, Term Loan, 4.96%, 1/08/08 | United States | |
| Lyondell-Citgo Refining LP, Term Loan, 4.09 - 4.37%, 5/21/07 | United States | |
| Tesoro Petroleum Corp., | | |
| L/C Term Loan, 1.87%, 4/30/07 | United States | |
| Term Loan, 7.37%, 4/15/08 | United States | |
| Other Consumer Services .4% | | |
| Alderwoods Group Inc., Term Loan B1, 4.48 - 4.81%, 8/19/10 | United States | |
| Coinstar Inc., Term Loan, 4.29%, 7/01/11 | United States | |
| Weight Watchers, | | |
| Additional Term Loan, 3.39%, 3/31/10 | United States | |
| Term Loan B, 3.48%, 3/31/10 | United States | |
| Other Consumer Specialties 1.8% | | |

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| | |
|--|---------------|
| American Safety Razor Co., Term Loan, 5.02%, 4/22/11 | United States |
| Home Interiors & Gifts Inc., Term Loan, 6.23 - 6.42%, 4/02/11 | United States |
| Jostens Intermediate Holding Corp., Term Loan B, 2.50 - 4.54%, 10/01/11 | United States |
| Sola International Inc., Term Loan, 4.48%, 12/05/09 | United States |
| Solo Cup Co., Term Loan B, 4.09 - 4.475%, 2/23/11 | United States |
| | |
| Other Transportation 1.1% | |
| Great Lakes Dredge & Dock Corp., Term Loan B, 4.46 - 5.57%, 12/19/10 | United States |
| Laidlaw International Inc., Term Loan B, 5.59%, 6/17/09 | United States |
| TransCore Holdings Inc., Term Loan B, 5.21 - 6.50%, 12/03/07 | United States |
| Term Loan C, 5.21%, 12/03/07 | United States |

Quarterly Statement of Investments | 13

FRANKLIN FLOATING RATE TRUST

STATEMENT OF INVESTMENTS, OCTOBER 31, 2004 (UNAUDITED) (CONTINUED)

| | COUNTRY | P |
|--|---------------|---|
| Senior Floating Rate Interests (cont.) | | |
| Personnel Services .1% | | |
| Allied Security Holdings LLC, Term Loan, 6.23%, 8/02/10 | United States | |
| | | |
| Publishing: Books/Magazines 2.4% | | |
| Advanstar Communications, Term Loan B, 6.44%, 10/11/07 | United States | |
| American Media Inc., Term Loan C, 4.75 - 4.813%, 4/01/07 | United States | |
| CBD Media LLC, Term Loan D, 4.29%, 12/31/09 | United States | |
| Dex Media West LLC, Term Loan B, 3.93 - 4.21%, 3/09/10 | United States | |
| F&W Publications Inc., Term Loan B, 5.45%, 12/31/09 | United States | |
| Primedia Inc., Term Loan B, 4.75%, 6/30/09 | United States | |
| Reader's Digest Association, Term Loan B, 3.57%, 5/20/08 | United States | |
| R.H. Donnelley Inc., Term Loan B, 4.05 - 4.31%, 6/30/11 | United States | |
| Transwestern Publishing Co., Term Loan B, 3.938 - 5.75%, 2/25/11 | United States | |
| Weekly Reader, Second Lien Term Loan, 6.761%, 3/23/09 | United States | |
| | | |
| Publishing: Newspapers .5% | | |
| Freedom Communications, Term Loan B, 3.75 - 3.79%, 5/17/09 | United States | |
| Journal Register, Term Loan B, 3.42 - 3.76%, 8/13/12 | United States | |
| MediaNews Group Inc., Term Loan C, 3.37 - 5.25%, 12/30/10 | United States | |
| | | |
| Pulp & Paper 2.0% | | |
| Appleton Papers Inc., Term Loan B, 3.98%, 6/01/10 | United States | |

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| | |
|---|----------------|
| Boise Cascade LLC, Term Loan B, 4.25%, 10/01/11 | United States |
| Boise Land and Timber Corp., Term Loan C, 4.25%, 10/01/10 | United States |
| Intertape Polymer Group Inc., Term Loan B, 4.138%, 8/01/11 | United States |
| Koch Cellulose LLC, | |
| L/C Term Loan, 3.84%, 5/03/11 | United States |
| Term Loan B, 4.22%, 5/03/11 | United States |
| MDCP Acquisitions I (Jefferson Smurfit), | |
| Term Loan B, 4.795%, 9/12/10 | Irish Republic |
| Term Loan C, 5.295%, 9/12/11 | Irish Republic |
| Smurfit-Stone Container Canada Inc., Term Loan C, 5.75%, 10/28/11 | Canada |
| Smurfit-Stone Container Enterprises, | |
| L/C Term Loan, 1.916%, 10/28/10 | United States |
| Term Loan B, 5.75%, 10/28/11 | United States |
| | |
| Railroads .1% | |
| RailAmerica Inc., | |
| CAD Term Loan, 3.938%, 9/29/11 | United States |
| U.S. Term Loan, 3.938%, 9/29/11 | United States |

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FRANKLIN FLOATING RATE TRUST

STATEMENT OF INVESTMENTS, OCTOBER 31, 2004 (UNAUDITED) (CONTINUED)

| | COUNTRY | P |
|---|---------------|---|
| Senior Floating Rate Interests (cont.) | | |
| Real Estate Investment Trusts .6% | | |
| Crescent Real Estate Funding XII, | | |
| Term Loan, 4.09 - 4.12%, 1/12/06 | United States | |
| Term Loan B, 4.09 - 4.12%, 3/05/06 | United States | |
| Newkirk Master LP, Term Loan, 6.079 - 6.475%, 11/24/06 | United States | |
| | | |
| Recreational Products 1.5% | | |
| Amscan Holdings Inc., Term Loan B, 4.591 - 6.25%, 4/30/12 | United States | |
| BRP Holdings LP, 4.46%, 12/18/10 | United States | |
| PlayPower Inc., Term Loan, 6.37 - 6.48%, 2/07/10 | United States | |
| Pure Fishing Inc., Term Loan B, 4.85 - 5.06%, 9/12/11 | United States | |
| Riddell Bell Holdings Inc., Term Loan B, 4.75%, 9/28/11 | United States | |
| True Temper Sports Inc., Term Loan, 4.21 - 6.25%, 3/15/11 | United States | |
| | | |
| Restaurants .6% | | |
| CKE Restaurants Inc., Term Loan, 4.875%, 4/30/09 | United States | |
| Denny's Inc., Term Loan B, 4.16%, 9/27/09 | United States | |
| Dominos Inc., Term Loan, 4.25%, 6/25/10 | United States | |

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| | |
|--|---------------|
| Jack In The Box Inc., Term Loan B, 4.02 - 4.51%, 12/19/10 | United States |
| Semiconductors .2% | |
| Fairchild Semiconductor Corp., Term Loan, 4.188%, 6/19/08 | United States |
| Services to the Health Industry .5% | |
| Accredo Health Inc., Term Loan B, 3.71%, 8/02/11 | United States |
| Quintiles Transnational Corp., Term Loan B, 6.23%, 9/25/09 | United States |
| Sterigenics International Inc., Term Loan B, 4.86%, 6/08/11 | United States |
| Specialty Stores .3% | |
| Pantry Inc., Term Loan, 4.21%, 3/12/11 | United States |
| Petco Animal Supplies Inc., Term Loan D, 4.46%, 10/02/08 | United States |
| Specialty Telecommunications .6% | |
| D&E Communications Inc., Term Loan B, 4.50 - 6.50%, 12/31/11 | United States |
| GCI Holdings Inc., Term Loan, 4.27%, 10/31/07 | United States |
| (a)Pacific Crossing Ltd., Term Loan B, 5.50%, 7/28/06 | United States |
| Valor Telecom, | |
| First Lien Term Loan, 4.29 - 4.37%, 6/30/07 | United States |
| Term Loan B, 4.20%, 6/30/08 | United States |

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FRANKLIN FLOATING RATE TRUST

STATEMENT OF INVESTMENTS, OCTOBER 31, 2004 (UNAUDITED) (CONTINUED)

| | COUNTRY | P |
|--|---------------|---|
| Senior Floating Rate Interests (cont.) | | |
| Steel .4% | | |
| Copperweld Holding Co., Term Loan, 6.451%, 12/17/11 | United States | |
| Tobacco .2% | | |
| Commonwealth Brands Inc., Term Loan, 6.00%, 8/22/07 | United States | |
| Trucking .3% | | |
| Comcar Industries, Term Loan B, 6.91 - 8.75%, 12/31/09 | United States | |
| Flexi-Van Leasing Inc., Term Loan B, 3.98 - 4.07%, 9/20/07 | United States | |
| Kenan Advantage, Term Loan, 5.475%, 6/30/10 | United States | |
| Wholesale Distributors .4% | | |
| Interline Brands, Term Loan B, 5.46 - 5.475%, 11/30/09 | United States | |

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National Waterworks Inc., Term Loan B, 4.34%, 11/22/09 United States
 Nebraska Book Co., Term Loan C, 4.67%, 3/04/11 United States

Wireless Communications 2.0%

AAT Communications Corp., Term Loan B, 4.46 - 4.64%, 12/31/11 United States
 Dobson Cellular Systems Inc., Term Loan, 5.36 - 5.41%, 3/31/10 United States
 Nextel Finance (Nextel Communications Inc.), Term Loan E, 4.188%,
 12/15/10 United States
 Nextel Partners Inc., Term Loan C, 4.313%, 5/31/11 United States
 SBA Communications Corp., Term Loan, 5.37 - 5.62%, 10/31/08 United States
 SpectraSite Communications Inc.,
 Term Loan A, 4.106 - 4.12%, 6/30/07 United States
 Term Loan C, 3.87%, 2/22/07 United States

Total Senior Floating Rate Interests (Cost \$1,124,080,299)

Asset-Backed Securities .6%

(c)Ares IV, 1A, D2, 144A, 7.919%, 12/22/12 Cayman Islands
 (c)Centurion CDO II Ltd., 1A, D2, 144A, 7.68%, 11/12/12 Cayman Islands
 (c)Clydesdale CLO Ltd., 2001-1A, D1, 144A, 8.133%, 3/22/13 Cayman Islands
 (c)First Dominion Funding II, 1A, D2, 144A, 7.31%, 4/25/14 Cayman Islands

Total Asset-Backed Securities (Cost \$8,770,415)

Common Stocks and Warrants .7%

Auto Parts: Original Equipment Manufacturer

(d)Exide Technologies., wts., 3/18/06 United States

Commercial Printing/Forms

(d)Vertis Holdings Inc., wts., 6/30/11 United States

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FRANKLIN FLOATING RATE TRUST

STATEMENT OF INVESTMENTS, OCTOBER 31, 2004 (UNAUDITED) (CONTINUED)

 COUNTRY S

Common Stocks and Warrants (cont.)

Specialty Telecommunications

(d)IDT Corp. United States

(d)Global Crossing Ltd. United States

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| | |
|--|---------------|
| Steel | |
| (d)Copperweld Holding Co., A | United States |
| (d)Copperweld Holding Co., B | United States |
| Wireless Communications .7% | |
| (d)Arch Wireless Inc. | United States |
| (d)Leap Wireless International Inc. | United States |
| (d)Teligent Inc. | United States |
| Total Common Stocks and Warrants (Cost \$6,315,654) | |
| Total Long Term Investments (Cost \$1,160,614,826) | |
| Short Term Investments (Cost \$186,581,250) 14.5% | |
| Money Fund | |
| (e)Franklin Institutional Fiduciary Trust Money Market Portfolio | United States |
| Total Investments (Cost \$1,347,196,076) 100.4% | |
| Other Assets, less Liabilities (.4)% | |
| Net Assets 100.0% | |

- (a) Defaulted security.
- (b) Security purchased on a delayed delivery basis.
- (c) See Note 2 regarding restricted securities.
- (d) Non-income producing.
- (e) The Franklin Institutional Fiduciary Trust Money Market Portfolio is managed by the Fund's investment manager.

Glossary of Terms

CDO - Collateralized Debt Obligation
 CLO - Collateralized Loan Obligation
 DIP - Debtor-in-Possession
 L/C - Line of Credit
 LLC - Limited Liability Corp.
 LP - Limited Partnership
 PIK - Payment-in-Kind

Quarterly Statement of Investments | See Notes to Statement of Investments. | 17

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FRANKLIN FLOATING RATE TRUST

NOTES TO STATEMENT OF INVESTMENTS (UNAUDITED)

The Franklin Floating Rate Trust (the Fund) is registered under the Investment Company Act of 1940 as a non-diversified, closed-end, continuously offered investment company. The Fund seeks current income and preservation of capital.

1. INCOME TAXES

At October 31, 2004, the unrealized appreciation (depreciation) based on the cost of investments for income tax purposes was as follows:

| | | | | |
|--|----|------------------|--|--|
| Cost of investments | | \$ 1,347,836,200 | | |
| | | ===== | | |
| Unrealized appreciation | \$ | 20,657,633 | | |
| Unrealized depreciation | | (75,173,396) | | |
| | | ----- | | |
| Net unrealized appreciation (depreciation) | \$ | (54,515,763) | | |
| | | ===== | | |

2. RESTRICTED SECURITIES

At October 31, 2004, the Fund held investments in restricted and illiquid securities that were valued under approved methods by the Trustees, as follows:

| PRINCIPAL AMOUNT | ISSUER | DATE | COST | V |
|--|--|----------|--------------|--------|
| \$ 1,400,000 | Ares IV, 1A, D2, 144A, 7.919%, 12/22/12 | 11/14/00 | \$ 1,400,000 | \$ 1,1 |
| 2,500,000 | Centurion CDO II Ltd., 1A, D2, 144A, 7.68%, 11/12/12 | 11/07/00 | 2,500,000 | 2,2 |
| 2,000,000 | Clydesdale CLO Ltd., 2001-1A, D1, 144A, 8.133%, 3/22/13 | 5/23/01 | 1,880,000 | 1,9 |
| 3,000,000 | First Dominion Funding II, 1A, D2, 144A, 7.31%, 4/25/14 | 5/03/99 | 2,990,415 | 2,3 |
| | | | | ----- |
| Total Restricted Securities (.60% of Net Assets) | | | | \$ 7,7 |
| | | | | ===== |

For information on the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent semiannual or annual shareholder report.

Quarterly Statement of Investments | 19

Item 2. Controls and Procedures.

(a) EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES. The Registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Registrant's filings under the Securities Exchange Act of 1934 and the Investment Company Act of 1940 is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission. Such information is accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, as appropriate, to allow

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timely decisions regarding required disclosure. The Registrant's management, including the principal executive officer and the principal financial officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Within 90 days prior to the filing date of this Quarterly Schedule of Portfolio Holdings on Form N-Q, the Registrant had carried out an evaluation, under the supervision and with the participation of the Registrant's management, including the Registrant's principal executive officer and the Registrant's principal financial officer, of the effectiveness of the design and operation of the Registrant's disclosure controls and procedures. Based on such evaluation, the Registrant's principal executive officer and principal financial officer concluded that the Registrant's disclosure controls and procedures are effective.

(b) CHANGES IN INTERNAL CONTROLS. There have been no significant changes in the Registrant's internal controls or in other factors that could significantly affect the internal controls subsequent to the date of their evaluation in connection with the preparation of this Quarterly Schedule of Portfolio Holdings on Form N-Q.

Item 3. Exhibits.

(A) Certification pursuant to Section 30a-2 under the Investment Company Act of 1940 of Jimmy D. Gambill, Chief Executive Officer - Finance and Administration, and Galen G. Vetter, Chief Financial Officer.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) FRANKLIN FLOATING RATE TRUST

By /S/JIMMY D. GAMBILL

Chief Executive Officer - Finance and Administration
Date December 16, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By /S/JIMMY D. GAMBILL

Chief Executive Officer - Finance and Administration
Date December 16, 2004

By /S/GALEN G. VETTER

Chief Financial Officer
Date December 16, 2004

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Exhibit A

I, Jimmy D. Gambill, certify that:

1. I have reviewed this report on Form N-Q of Franklin Floating Rate Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

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December 16, 2004

/s/JIMMY D. GAMBILL

Chief Executive Officer - Finance and Administration

I, Galen G. Vetter, certify that:

1. I have reviewed this report on Form N-Q of Franklin Floating Rate Trust;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the schedules of investments included in this report fairly present in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

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December 16, 2004

/s/GALEN G. VETTER
Chief Financial Officer