

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name		<b>2</b> Issuer's employer identification number (EIN)	
Franklin Limited Duration Income Trust		20-0099615	
<b>3</b> Name of contact for additional information	<b>4</b> Telephone No. of contact	<b>5</b> Email address of contact	
Shareholder Services	(800) 632-2301	N/A	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact		<b>7</b> City, town, or post office, state, and ZIP code of contact	
One Franklin Parkway; Attn: Fund Tax Department		San Mateo, CA 94403	
<b>8</b> Date of action		<b>9</b> Classification and description	
October 18, 2018		Subscription Rights Offering	
<b>10</b> CUSIP number	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol	<b>13</b> Account number(s)
35472T101	N/A	FTF	N/A

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On September 21, 2018, Franklin Limited Duration Income Trust (the "Fund") commenced a Rights Offering up to 7,534,709 shares of common stock pursuant to which stockholders of record as of September 21, 2018, received, at no cost to them, one subscription right for each share of the Fund's common stock owned (the "Rights Offering"). Each subscription right entitled the stockholder to purchase 0.33333333 shares of common stock at the \$8.99 per whole share (the "Basic Subscription Right"). The Rights Offering expired on October 18, 2018. Under the Rights Offering, stockholders exercised rights ("Rights") to purchase 7,534,709 shares of the Fund's common stock.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ The value of a Right will not be includible in the income of a Common Shareholder at the time the Right is issued. The basis of a Right issued to a Common Shareholder will be zero, and the basis of the Common Share with respect to which the Right was issued (the "Old Common Share") will not change, unless either the fair market value of the Right on the date of distribution is at least 15% of the fair market value of the Old Common Share, or such Common Shareholder affirmatively elects (in the manner set out in Treasury Regulations under the Code) to allocate to the Right a portion of the basis of the Old Common Share. Under IRC Section 307(b), the allocation of tax basis to the subscription rights, fair market value of the subscription rights, was less than 15% of the fair market value of the stock on the distribution date.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The Fund has determined that the fair market value of the Subscription Rights was less than 15% of the fair market value of the Common Shares and that the basis of the Subscription rights is, therefore, zero. Accordingly no change in basis results from the Rights Offering.

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code Section 305 and 307.

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18 Can any resulting loss be recognized? ▶ Shareholders will not recognize a loss for U.S. federal income tax purposes in connection with the Rights Offering.

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ N/A

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶ Signed copy is maintained by the issuer

Date ▶ 11/30/18

Print your name ▶

Title ▶

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.