

FRANKLIN LTD DURATION INCOME TRUST  
Form SC 13G/A  
December 02, 2014

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 13G**  
**Under the Securities Exchange Act of 1934**  
**(Amendment No. 5) \***

**Franklin Limited Duration Income Trust**

**(Name of Issuer)**

**Auction Preferred Stock**

**(Title of Class of Securities)**

**35472T200**

**35472T309**

**35472T408**

**(CUSIP Number)**

**November 28, 2014\*\***

**(Date of Event which Requires Filing of this Statement)**

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

\*\* The event triggering notification is the acquisition of UBS AG by UBS Group AG through the completion of a share transfer offer on 28 November 2014 in which the shareholders of UBS AG became shareholders of UBS Group AG and their shares in UBS AG were transferred to UBS Group AG. As a result, UBS Group AG controls UBS AG.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1. NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

UBS Group AG, for the benefit and on behalf of UBS Securities LLC and UBS Financial Services Inc., two-wholly owned subsidiaries of UBS AG to which UBS AG has delegated portions of its performance obligations with respect to the Auction Rate Securities Rights issued by UBS AG to certain clients and pursuant to which the securities reported herein have been purchased from such clients.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)

(a) " (b) "

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Switzerland

5. SOLE VOTING POWER

NUMBER OF

SHARES 0

6. SHARED VOTING POWER

BENEFICIALLY

OWNED BY 593\*\*\*

EACH 7. SOLE DISPOSITIVE POWER

REPORTING

PERSON 0

8. SHARED DISPOSITIVE POWER

WITH

593\*\*\*

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

593\*\*\*

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (see instructions)

..

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

16.47%\*\*\*\*

12. TYPE OF REPORTING PERSON (see instructions)

BK

\*\*\* These amounts reflect UBS Group AG's combined holdings in the series of auction preferred stock of the issuer identified by the CUSIP number(s) set forth on the cover page of this Schedule 13G.

\*\*\*\* This calculation reflects a fraction the numerator of which is the total set forth in Item 9 of this cover page and the denominator of which is the aggregate amount of auction preferred stock of all series identified in Item 2(e) of this Schedule 13G, which latter amount is treated herein as a single class of securities.

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**Item 1.**

(a) Name of Issuer

Franklin Limited Duration Income Trust

(b) Address of Issuer's Principal Executive Offices

Franklin Limited Duration Income Trust

One Franklin Parkway

San Mateo, CA 94403-1906

**Item 2.**

(a) Name of Person Filing

UBS Group AG

(b) Address of the Principal Office or, if none, residence

UBS Group AG

Bahnhofstrasse 45

P.O. Box CH-8049

Zurich, Switzerland

(c) Citizenship

Switzerland

(d) Title of Class of Securities

Auction Preferred Stock

(e) CUSIP Number

35472T200

35472T309

35472T408

This response lists the CUSIP numbers assigned to every series of auction preferred securities issued by the Issuer and not redeemed, including series in which UBS Group AG may not have an ownership position.

**Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:**

- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e)  An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G);
- (h)  A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  Group, in accordance with §240.13d-1(b)(1)(ii)(J).

**Item 4. Ownership.**

Items 5-11 of the cover page and Item 2(e) above are incorporated by reference in our response to this Item 4.

**Item 5. Ownership of Five Percent or Less of a Class.**

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following " ".

**Item 6. Ownership of More than Five Percent on Behalf of Another Person.**

Not Applicable.

**Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company.**

This statement on Schedule 13G is being filed by UBS Group AG, for the benefit and on behalf of UBS Securities LLC and UBS Financial Services Inc., two-wholly owned subsidiaries of UBS AG to which UBS AG has delegated portions of its performance obligations with respect to the Auction Rate Securities Rights issued by UBS AG to certain clients and pursuant to which the securities reported herein have been purchased from such clients. The event triggering notification is the acquisition of UBS AG by UBS Group AG through the completion of a share transfer offer on 28 November 2014 in which the shareholders of UBS AG became shareholders of UBS Group AG and their shares in UBS AG were transferred to UBS Group AG. As a result, UBS Group AG controls UBS AG.

**Item 8. Identification and Classification of Members of the Group.**

Not Applicable.

**Item 9. Notice of Dissolution of Group.**

Not Applicable.

**Item 10. Certification.**

(a) The following certification shall be included if the statement is filed pursuant to §240.13d-1(b):  
By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

(b) The following certification shall be included if the statement is filed pursuant to §240.13d-1(c):  
By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

12/02/2014

Date

/s/ Anthony DeFilippis  
Anthony DeFilippis  
Executive Director

/s/ William Chandler  
William Chandler  
Managing Director