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VIA E-MAIL (IMSHAREHOLDERPROPOSALS@SEC.GOV)

U.S. Securities and Exchange Commission
Division of Investment Management
Office of Disclosure and Review
100 F Street, N.E.
Washington, DC 20549

Re: Exchange Act Rule 14a-8: Submission of Shareholder Proposal for the 2016 Proxy Statement of Franklin Limited Duration Income Trust

Dear Sir or Madam:

We are writing on behalf of Saba Capital Management, L.P. and certain investment funds managed by it ("Saba") in response to the letter, dated July 8, 2016 (the "Trust Response Letter"), from Stradley Ronon Stevens & Young, LLP on behalf of Franklin Limited Duration Income Trust, a closed-end management investment company registered under the Investment Company Act of 1940 (the "Trust"). The Trust Response Letter responds to a letter sent by us to the Staff (the "Staff") of the U.S. Securities and Exchange Commission (the "Commission"), dated June 24, 2016 (the "Saba Response Letter"), regarding a no-action request letter sent to the Staff on behalf of the Trust (the "No-Action Request Letter"). The purpose of that letter was to express the Trust's intention to omit the shareholder proposal (the "Proposal") submitted on April 20, 2016, as modified on May 12, 2016, by Saba for inclusion in the Trust's proxy statement for its 2016 annual meeting of shareholders pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The purpose of this Letter is to clarify the Proposal and Saba's position on it in order for the Staff to not be misguided by the Trust's claims. Despite the Trust's protestations, the Proposal and its supporting statement (the "Supporting Statement") express a clearly defined concept of considering a recapitalization of the Trust through a self-tender to close the gap between the trading price of the Trust's common shares (the "Shares") and its net asset value ("NAV"). As we have stated repeatedly, the Proposal is a request for the Board to "consider" a self-tender, and the second sentence of the Proposal offers suggestions for the Board to maximize shareholder value. Yet, despite our consistent clarity about this point, the Trust has

repeatedly mischaracterized the Proposal and our argument in an attempt to disallow shareholders from voting on a legitimate shareholder proposal.

I. THE PROPOSAL CONSTITUTES ONE PROPOSAL UNDER RULE 14A-8(C) BECAUSE EACH ELEMENT IS TIED TO A SINGLE UNIFYING CONCEPT.

A. The Proposal is One Proposal with Multiple Elements Relating to One Action and is Bound by a Single, Unifying Concept.

As discussed previously in the Saba Response Letter, the Proposal simply asks the Board to "consider" authorizing a self-tender followed by suggestions of courses of action that the Board should also consider based on the outcome of the tender offer. The Saba Response Letter relied on, among other precedent, *Todd Shipyards Corporation*, SEC No-Action Letter (Aug. 13, 1992); *Ametek, Inc.,* SEC No-Action Letter (Feb. 15, 1994); *Netflix, Inc.,* SEC No-Action Letter (Feb. 29, 2016); and *General Electric Co.,* SEC No-Action Letter (Jan. 24, 2001). In each of these cases, the Staff found no basis for the exclusion of shareholder proposals under the One Proposal Rule. Yet, the Trust Response Letter relies on strained interpretations of the foregoing precedent, claiming that each of the foregoing cases involved proposals where the language of the proposal "expressly state[d] the single, unifying purpose of the proposal in the proposal itself." Such a position is fallacious for various reasons: (a) it overlooks the language of the Proposal and thus falsely attempts to distinguish the Proposal from the foregoing no-action letter precedent, (b) it invents out of whole cloth a requirement that a proposal must contain an express statement of the single, unifying purpose in the proposal itself, and finally, (c) it confuses the purpose of a proposal with the concept behind implementing a proposal.

The Trust tries to falsely differentiate the syntax of the Proposal from other proposals by claiming that such proposals "state the single, unifying purpose of the proposal in the proposal itself" and that the Proposal does not state such a purpose. Yet, there is virtually no difference in the language of the Proposal and any of the foregoing proposals[1] aside from the fact that the other proposals use connectors such as "by" or "including." Simply because the second sentence of the Proposal does not include such words does not lessen its validity, as the Commission has never issued guidance stating that in order for a proposal's elements to be read as relating to a single, unifying concept or for the elements of the proposal to be read as steps to implementing the proposal, the language of the proposal must include such words. Thus, the Trust's argument here rests on shaky ground and should be disregarded.

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[1] The Proposal clearly states "BE IT RESOLVED, that the shareholders of Franklin Limited Duration Income Trust, requests that the Board of Trustees consider authorizing a self-tender offer for all outstanding shares of the Fund at or close to net asset value."

The language of the *Todd Shipyards* proposal states, "RESOLVED, that the stockholders of the company, believing that the value of their investment in the company can best be maximized through a sale or merger of the company, hereby request that the board of directors promptly proceed to effect such a sale or merger" by taking certain actions. *Ametek*'s proposal similarly states, "RESOLVED: The shareholders request that the Board of Directors of AMETEK, Inc. reconstitute and/or expand the Board of Directors to include" directors that satisfy various conditions.

The Trust wrongly implies that the Proposal must have stated, on its face, its single, unifying purpose and attempts to distinguish the Proposal from the proposals in the foregoing no-action letters. Yet, as demonstrated above, the syntax and diction of the Proposal is virtually identical to that of the cited precedent. Thus, if the Trust wants to claim that the other proposals state their purposes, then it must admit that the Proposal does as well. More importantly, and as a corollary to our assertion above, the Commission has never stated that a proposal must state its purpose on its face. Nor is that even the rule. Rule 14a-8(c)'s "One Proposal Rule" concerns itself with a "single well-defined, unifying concept,"[2] not with a narrowly-scoped "purpose," as the Trust suggests. Thus, Section A(1) of the Trust Response Letter is moot.[3]

B. The Supporting Statement Discusses One Concept.

The Supporting Statement clearly expresses that the purpose of the Proposal is to allow shareholders to vote for a "request" that the Board consider taking "action to collapse the [Trust]'s discount and increase shareholder value." As stated multiple times in past letters, collapsing the Trust's discounting and increasing shareholder value constitute a single concept. Yet, the Trust disingenuously tries to spin multiple concepts out of this request by claiming that the Supporting Statement express multiple concepts.[4] Here, the Trust confuses simple explanations with "concepts" under a Rule 14a-8 analysis. While it is uncontested that the Supporting Statement "refers" to the Fund's performance, shareholder support, and a trading discount as evidence in support of Saba's position, it is absurd to claim that such references justify a finding of multiple concepts since doing so would open the door to interpreting virtually any explanation of a proposal as propounding multiple concepts. As the Trust would have it, any reference to any idea related to a proposal's unifying concept would serve as grounds for exclusion of the Proposal under the One Proposal Rule, which is practically untenable for shareholder proponents. Accordingly, the Trust's argument here is both fallacious and short-sighted.

II. THE ELEMENTS OF THE PROPOSAL OFFER ALTERNATE OPTIONS FOR THE BOARD TO DECREASE THE SHARES' TRADING DISCOUNT

In Section B of the Trust Response Letter, the Trust constructs a straw-man argument based on a faulty interpretation of Rule 14a-8(c) analysis, claiming that the Proposal "fails" to provide essential steps to bringing to life the Proposal's single concept because "it would have to argue that liquidating the Fund or converting it to an open-end fund is a necessary

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[2] Securities Act Release No. 34-12999 (November 22, 1976).

[3] We note that the Trust minces the rule in separate portions of the Trust Response Letter, stating that the Proposal evidences "no concept" in its introductory paragraph and Section 1(A) of the Trust Response Letter, only to go on and argue that the Proposal states no "single, unifying purpose." Trust Response Letter, Section A(1), at 3.

[4] Trust Response Letter, Section A(2), at 4 ("[T]he Supporting Statement would appear to support the Proposal by raising three distinct concepts: (1) the Fund's performance, (2) shareholder support for continuing as a closed-end fund, and (3) its market price discount to net asset value.").

step to completing the tender offer."[5] The Trust simply gets the rule wrong here. For one, it cites *Netflix* as saying that the elements of a proposal must constitute "*essential* steps to achieve the stated purpose of the proposal"[6] when *Netflix* merely repeats the "single, unifying concept" rule espoused by the Commission in its 1976 Commission Release. Nowhere in *Netflix* does the Staff countenance an interpretation of 14a-8(c) whereby a proposal's steps must be "essential." The Trust also tries to claim that *Ametek* provided an instance where the Staff blessed a shareholder proposal because its elements were "necessary" to the "stated purpose" of the proposal. However, the single concept behind the *Ametek* proposal was to "reconstitute" the board. Its elements requested that the company take steps to include a two-thirds majority of independent directors, the nominating and compensation committees include a majority of independent directors, and the board be diversified with respect to expertise, gender and race. Clearly, such elements were options for the company to implement and were not "necessary" to achieve the concept of "reconstitution." Both of the foregoing misreadings of precedent call into question the Trust's support for its interpretation of Rule 14a-8(c).

In the Saba Response Letter, we noted applicable precedent, such as *Commercial National Financial Corporation,* SEC No-Action Letter (Mar. 21, 2006), suggesting to the Staff that it did not exclude a proposal under the One Proposal Rule in cases where a proposal countenanced the Board considering joint or alternate actions.[7] As we have noted amply in past letters, the concept in *Commercial National* was to "recapitalize the company" and the Board had the option to re-evaluate the company's dividend policy or implement a tender share repurchase. The Staff took no umbrage with the construction of *Commercial National*'s proposal because it was clear that the elements of the proposal were all constituent to the proponent's concept of recapitalization.

Such is the case here as well. It is perhaps telling that the Trust refuses to meet us at our strongest argument, downplaying the applicability of *Commercial National* (which, of the cited precedent, included the most conceptually-similar proposal to the Proposal) by rehashing the same tired and irrelevant arguments over the use of diction in proposals, such as "and/or."[8] It is also telling that the Trust relies on a second straw-man, claiming that we relied on parallels between the precatory nature of the Proposal and the precatory nature of *Commercial National* to establish the validity of the Proposal,[9] when we in fact made no such argument in the Saba Response Letter. As the Trust has done repeatedly in its letters, it makes a mountain out of a what was essentially a minor argument in the Saba Response Letter. In that letter, we simply pointed out in a footnote that, "[b]ecause each element of the Proposal arises from the initial

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[5] Trust Response Letter, Section B, at 7.

[6] Emphasis retained from the Trust Response Letter.

[7] *See also Computer Horizons Corporation*, SEC No-Action Letter (Apr. 1, 1993) (finding that a proposal constituted a single proposal related to the single concept of eliminating anti-takeover devices, even when the proposal contemplated multiple steps and allowed the board to either modify or terminate existing contracts or arrangements).

[8] *See* No-Action Request Letter, Section III(c), at 7; Trust Response Letter, Section C, at 8.

[9] Trust Response Letter, Section C, at 8.

action of the Board's consideration, the Proposal in its entirety is simply a request or a recommendation."[10] The purpose of this footnote was to show that, as discussed above, the second sentence of the Proposal merely was meant to offer suggestions to the Board for increasing shareholder value and collapsing the Share's discounted trading value. All of the Trust's fallacious quibbling confounds the central issue at the heart of Rule 14a-8(c), which is the existence of a single, unifying concept. Accordingly, we ask the Staff to look past such arguments.

III. THE STAFF HAS PREVIOUSLY ACCEPTED THE PROPOSAL'S LANGUAGE IN SUBSTANTIALLY THE SAME FORM, AND SIMILAR PROPOSALS HAVE PASSED WITHOUT ISSUE.

The Trust continuously states that the prevalence of this type of proposal bears no relevancy to the current Proposal's validity.[11] Yet, as we noted in the Saba Response Letter, the language of this Proposal is not unique and has been used (with *de minimis* variations) at investment companies in the past, and as we have also noted, the Staff has previously found that these proposals were not excludable.[12] Although the previous no-action letters did not expressly address Rule 14a-8(c), one cannot ignore the fact that when faced with almost-identical proposals, neither the targeted investment companies nor the Staff apparently believed that these proposals actually constituted multiple proposals, rendering them excludable. While the Trust seemingly asserts that the Proposal will lead to a parade of horribles and that the elements of the Proposal are separate, distinct, and absolutely "incompatible," we note that at least one nearly identical proposal was passed by stockholders without incident at AllianceBernstein Income Fund.[13] And despite the Trust's blind protestations that it cannot identify the concept behind the Proposal, the AllianceBernstein Income Fund seemed to have no problem identifying that the concept behind the proposal was to close the NAV discount. Shortly after the stockholder vote, the fund converted to an open-ended fund "so [that its] investors [could] achieve NAV."[14] Given the repeated acceptance of this type of proposal by the Staff, other investment companies and their boards, and stockholders, the Proposal is clearly a single proposal based on a clear well-defined unifying concept.

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[10] Saba Response Letter, Section B, footnote 12, at 6.

[11] Trust Response Letter, Section D, at 9-10.

[12] *See, e.g.*, *Opportunity Partners L.P. Shareholder Proposal (Clough Global Equity Fund)*, SEC No-Action Letter (Apr. 16, 2015); *Karpus Management, Inc. Shareholder Proposal (AllianceBernstein Income Fund)*, SEC No-Action Letter (Feb. 18, 2015); and *The Adams Express Company*, SEC No-Action Letter (Nov. 22, 2010).

[13] *See* AllianceBernstein Income Fund Announces Details Of Recent Stockholder Vote And Board Of Directors Consideration Of Results Of Vote (May 7, 2015), http://www.prnewswire.com/news-releases/alliancebernstein-income-fund-announces-details-of-recent-stockholder-vote-and-board-of-directors-consideration-of-results-of-vote-300079896.html.

[14] Amey Stone, *AllianceBernstein Plans to Convert Closed-End ACG to Open-End Fund*, BARRON'S (Aug. 7, 2015), http://blogs.barrons.com/incomeinvesting/2015/08/07/alliancebernstein-plans-to-convert-closed-end-acg-to-open-end-fund/.

IV. CONCLUSION

Again, the Trust's attempts to claim there are multiple proposals is strained because its arguments are fallacious. Instead of seeking to forbid shareholders from having an opportunity to present a proposal that may increase shareholder value, the proper course for the Trust to take would be to put forward its arguments in its proxy statement. Thus, we reaffirm our view that the Trust cannot exclude the Proposal under Rule 14a-8(c) because the Proposal is not comprised of multiple proposals.

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In accordance with the webpage of the Division of Investment Management of the Commission, the undersigned, on behalf of Saba, has submitted an electronic copy of this letter via email to IMshareholderproposals@sec.gov. A copy of this letter is being forwarded to the Trust.

Should you require any additional information or have any questions concerning the foregoing, please do not hesitate to call me at (212) 756-2376 or email me at Eleazer.Klein@srz.com. Should you disagree with the conclusions set forth herein, we respectfully request the opportunity to confer with you prior to the determination of the Staff's final position.

Very truly yours,

Eleazer Klein

cc: Michael D'Angelo, Esq.
Michael D. Mabry, Esq.