



FRANKLIN
TEMPLETON

WE'RE HERE TO HELP
INVESTORS SAVE TAX AND
AIM TO BUILD A BRIGHTER
FUTURE.

FRANKLIN INDIA TAXSHIELD

OCTOBER 2021



WHY ELSS?

MORE THAN JUST TAX SAVING

TAX SAVINGS

An equity-linked savings scheme (ELSS) is a tax-saving investment under Section 80C of the Income Tax Act, 1961 and allows tax exemption of upto Rs 1.5 lakh annually.



LONG TERM WEALTH CREATION POTENTIAL

ELSS invest 80% in equities. Equity asset class is one of the best wealth creation avenue over a long term horizon.



LOWEST LOCK-IN PERIOD

ELSS has lowest lock-in period (3 years) among all tax saving avenues under section 80C of the Income Tax Act, 1961.





ABOUT THE FUND

Franklin India Taxshield (FIT) is an open-end Equity Linked Savings Scheme that invests minimum 80% in equity and equity related instruments with a statutory lock in of three years and tax benefit. The primary objective for FIT is to provide medium to long term growth of capital along with income tax rebate.



FUND MANAGERS COMMENTARY

- The market opportunities for long-term investors usually present themselves in two categories viz., fairly valued secular long-term growth opportunities and undervalued cyclical businesses or businesses with potential to turnaround or breakaway from the past.
- Fund follows a strategy of investing in a blend of good quality, reasonably valued companies with potential to outperform the market over long-term on one hand, and some undervalued good quality cyclical businesses on the other.
- The fund currently is invested more than two-thirds in the first category of secular growth opportunities and rest are in modest growth but undervalued companies with potential to be valued higher over time.
- The fund builds active exposures bottom-up based on individual stock-level upside potential and risks which then aggregate to sector weights.
- The current portfolio has significant over-weight positions in Financials and Utilities and significant under-weight positions in Energy and Materials sectors respectively. The portfolio also maintains overweight exposure to consumer discretionary, consumer staples and communication services and underweight exposure to information technology, industrials, healthcare and real estate sectors.



OUR INVESTMENT STRATEGY

Compounding growth ideas

- Participates in India's strong economic growth
- Ability to sustain high return on equity and/or return on capital employed
- Management's ability to scale up the business
- Management capability to identify and participate in peripheral business opportunities
- Recurring revenues and profitable reinvestment opportunities
- Strong execution track record

Disruptive and Innovative businesses

- Capable of identifying opportunities within changing market dynamics
- Positioning to benefit sustainably from disruptive change in the sector/ industry/ economy
- Investing in technology/ people/ processes/ brand to capture disruptive long term growth
- Taking risks to capitalize on them to create sustainable shareholder value.



Cyclical growth orientation

- Potential to generate positive cash flows / earnings increasing at a rate faster than that of the industry / economy
- Valued reasonably versus comparable universe
- Sustainable competitive advantage

Contrarian approach

- Above-average ROE business at below-average prices, not necessarily deep-value strategy
- Strong long-term business fundamentals
- Good execution, ROE and cash flow track record
- Embedded or hidden value, underestimated/ ignored by the market



WHY FRANKLIN TEMPLETON?

- Franklin Templeton is the sixth largest independent asset manager in the world (as of June 30, 2021).
- Premier global investment management organization with over 73 years of global investment experience.
- Extensive experience in both equity and debt across market cycles.
- Focus on local needs backed by global expertise.



STOCK RATIONALE

Infosys Ltd.

- One of the top Indian IT companies (by market capitalization) providing business consulting, information technology and outsourcing services.
- Speedier adaptation of digitization is a key trend shaping the IT sector.
- These factors support our positive stance on the stock.

Axis Bank Ltd.

- Corporate credit costs seem to be normalizing. There is an increase in share of high margin businesses. This in turn seems to be contributing to improvements in RoE for the bank (based on financials in FY21 and Q1FY22).
- Our positive outlook is supported by the wide reach, scale of operations of the bank.

HDFC Bank Ltd.

- The largest private bank in India, HDFC bank has seen a growth in its market share across both retail and corporate loans segments.
- The Bank continues to grow in terms of CASA ratio, operating profitability potentially led by digitalization initiatives, addition of added new branches and employees as well as other fee-based segments.
- Our positive outlook is supported by the wide reach and scale of operations of the bank.

Tata Power Co Ltd.

- Tata Power is leading private sector utility with presence in power generation and distribution.
- The company has worked to reduce debt through infusion of INR26b capital from the promoter (Q2FY21).
- Orderbook for the Engineering Procurement and Construction (EPC) segment of the company remains strong.
- The company has posted improvement in earnings (Q1FY22) potentially led by performance across all segments, reduction in finance cost and higher execution in the EPC projects.
- All these factors strengthen our positive stance on the stock.

Power Grid Corporation of India Ltd.

- PGCIL is the central transmission utility of India. Most of the value of PGCIL comes from its RTM (Regulated Tariff Mechanism) assets developed over the last fifteen years. The equity deployed on these assets (regulated equity) earns a certain return as decided by the regulator.
- The company commands 85% of the interstate transmission system and has competitively won projects on build-own-operate basis (based on financials in FY21).
- These factors reinstate our positive stance on the stock.

Source: The stock level information are based on company disclosures to stock exchanges, post result company conference calls, annual and quarterly company filings.

CASA: Current account to savings account ratio

RoE: Return on Equity



SECTOR ALLOCATION & FUND STATISTICS

KEY SECTORS

(in%)	Financials	Information Technology	Utilities	Consumer Discretionary	Consumer Staples	Industrials	Materials	Energy	Communication Services	Health Care
Sep 2021	34.06	12.36	10.53	9.64	8.20	6.33	5.89	4.45	3.20	2.98
Sep 2020	28.75	12.51	11.00	12.22	3.73	4.62	6.43	5.17	4.11	5.15
	▲	▼	▼	▼	▲	▲	▼	▼	▼	▼
Benchmark (Sep'2021)	30.84	13.72	3.51	7.62	8.09	7.13	10.66	9.00	2.88	5.66

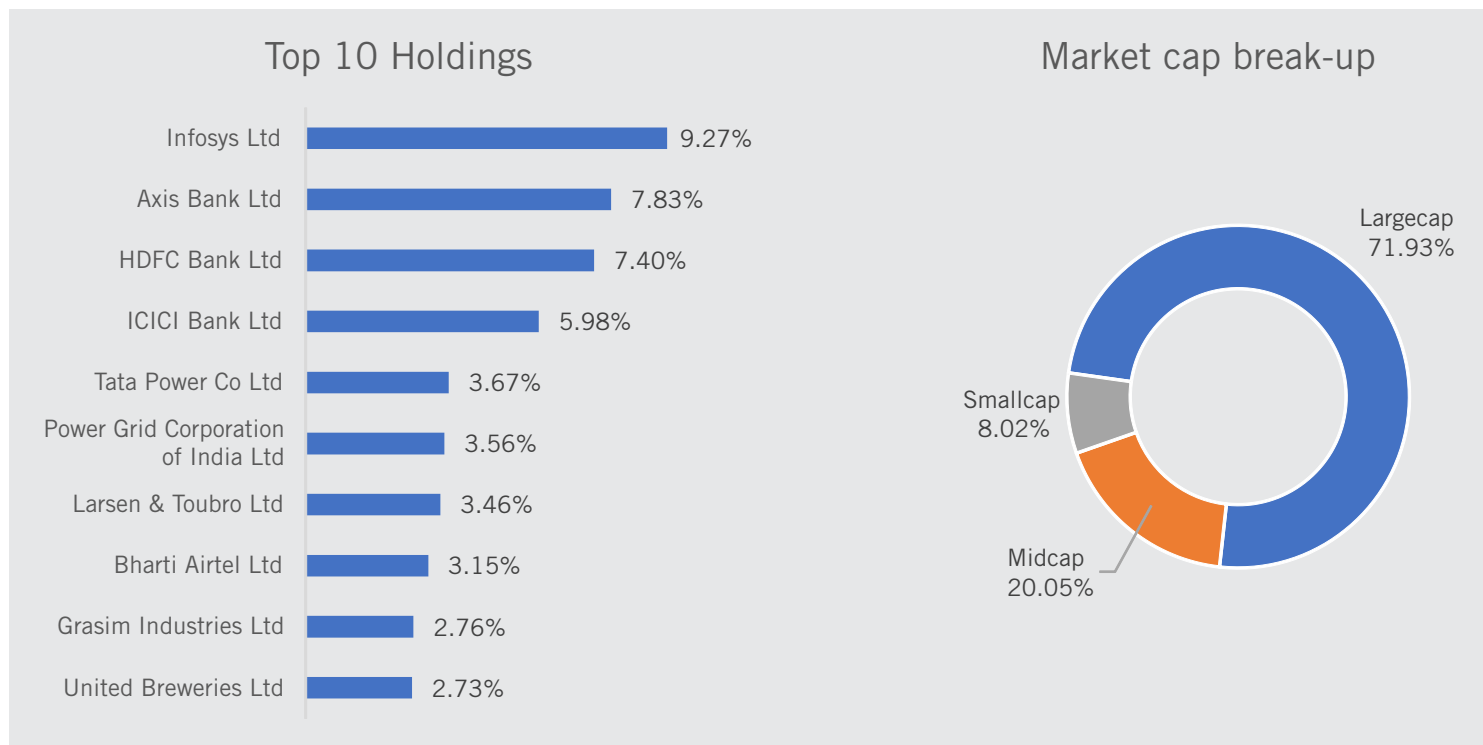
Source: Factset. Sector definition as per AMFI classification is mentioned at the end of the brochure. Data pertains to month-end numbers.

Portfolio Characteristics	September 2021	September 2020
No. of Stocks	54	57
Top 3 Stock Holdings (%)	24.51	27.13
Top 5 Stock Holdings (%)	34.16	35.30
Top 10 Stock Holdings (%)	49.81	49.51
Top 3 Sector Holdings (%)	56.94	53.48
Top 5 Sector Holdings (%)	74.79	70.90

% of Total AUM. Data as on September 30, 2021.

Ratios	September 2021	Valuation (September 2021)	Fund	Benchmark
Standard Deviation	6.78%	Price to Book	2.84	3.64
Portfolio Beta	1.01	Price to Sales	1.72	2.61
Sharpe Ratio*	0.54	Dividend Yield	1.13	0.96
Portfolio turnover	17.15%	Avg. Market Cap (Rs Cr)	289045	-

* Annualised. Risk-free rate assumed to be 3.49% (FBIL OVERNIGHT MIBOR). Data of Standard Deviation, Portfolio Beta and Sharpe Ratio consist of 3 years period. Data as on September 30, 2021



Source: Factset. Data as of September 30, 2021. Information is historical and may not reflect current or future portfolio characteristics. All portfolio holdings are subject to change. The sector/stocks/securities mentioned in the material may not be considered as investment advice or recommendation to buy or sell nor a view or opinion on quality or profitability providing a basis of investment decision in the same. The schemes managed by Franklin Templeton Asset Management (India) Pvt. Ltd (the AMC) may or may not have any future exposure in the same. The reader should not assume that investment in the sector/stocks/securities mentioned was or will be profitable. The securities illustrated in the above chart represent the ten largest holdings held in the Fund as of the date indicated. Market capitalization is as per AMFI classification. The graph shows large cap, mid cap and small cap break as a % of the total equity.

The portfolio characteristics listed are based on the Fund's underlying holdings, and do not necessarily reflect the Fund's characteristics. Due to data limitations all equity holdings are assumed to be the primary equity issue of each security's issuing company. This methodology may cause small differences between the portfolio's reported characteristics and the portfolio's actual characteristics. In practice, Franklin Templeton's portfolio managers invest in type of security which they believe is most appropriate at the time of purchase.



FUND DETAILS

FUND MANAGER(S)



Anand Radhakrishnan, CFA
Managing Director & Chief
Investment Officer - EME India
(w.e.f October 18, 2021)



Janakiraman Rengaraju, CFA
Vice President & Portfolio Manager

TYPE OF SCHEME	An Open-End Equity Linked Savings Scheme
DATE OF ALLOTMENT	April 10, 1999
BENCHMARK	Nifty 500
FUND SIZE (AUM)	Month End: Rs 5020.57 crores Monthly Average: Rs 4967.48 crores
MINIMUM INVESTMENT/ MULTIPLES FOR NEW INVESTORS	Rs 5000/1
MINIMUM INVESTMENT FOR SIP	Rs 500/1
ADDITIONAL INVESTMENT/ MULTIPLES FOR EXISTING INVESTORS	Rs 1000/1
LOAD STRUCTURE	ENTRY LOAD: Nil EXIT LOAD (for each purchase of Units): NIL
LOCK-IN-PERIOD	All subscriptions in FIT are subject to a lock-in period of 3 years from the date of allotment and the unit holder cannot redeem, transfer, assign, or pledge the units during the period.

Data as of September 30, 2021.

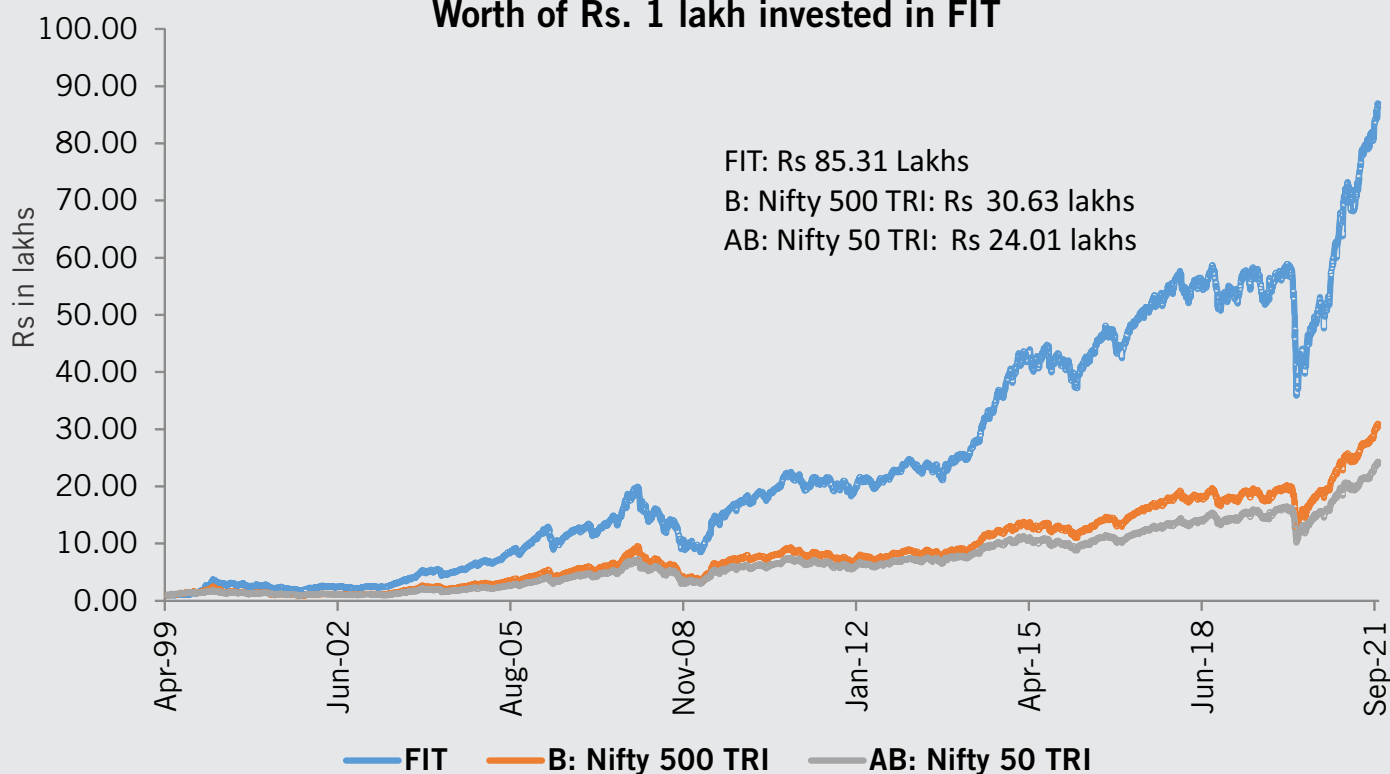


PERFORMANCE

Lumpsum - If you had invested Rs 1 lakh in FIT - Regular Growth	Since Inception	20 years	15 years	10 years	5 years	3 years	1 Year
Total value as on 30-Sep-2021 (Rs in lakhs)	85.31	49.23	7.21	4.26	1.84	1.57	1.72
Returns	21.86%	21.49%	14.07%	15.59%	12.91%	16.11%	71.51%
Total value of B: Nifty 500 TRI (Rs in lakhs)	30.63	34.83	6.00	4.24	2.16	1.71	1.63
B:Nifty 500 TRI Returns	16.43%	19.41%	12.68%	15.53%	16.61%	19.44%	62.87%
Total value of AB: Nifty 50 TRI (Rs in lakhs)	24.01	25.44	5.88	4.03	2.18	1.67	1.59
AB: Nifty 50 TRI Returns	15.18%	17.55%	12.53%	14.94%	16.81%	18.58%	58.54%

Compounded Annualised Growth Rate Performance as on September 30, 2021

Worth of Rs. 1 lakh invested in FIT



The graph shows the movement of Rs. 1 lakh invested in FIT – Growth Plan, Nifty 500 TRI and Nifty 50 TRI since inception of the fund.

SIP - If you had invested Rs 10000 per month in FIT - Regular Growth	Since Inception	10 Years	7 Years	5 Years	3 Years	1 Year
Total amount Invested (Rs in lakhs)	27.00	12.00	8.40	6.00	3.60	1.20
Total value as on 30-Sep-2021 (Rs in lakhs)	331.38	27.42	14.31	9.41	5.45	1.53
Returns	18.79%	15.77%	14.95%	18.07%	28.90%	55.06%
Total value of B: Nifty 500 TRI (Rs in lakhs)	228.35	28.91	15.77	10.07	5.63	1.53
B:Nifty 500 TRI Returns	16.21%	16.76%	17.68%	20.85%	31.29%	53.93%
Total value of AB: Nifty 50 TRI (Rs in lakhs)	200.65	27.76	15.58	10.01	5.46	1.50
AB: Nifty 50 TRI Returns	15.31%	16.01%	17.34%	20.59%	28.99%	49.08%

SIP Performance as on September 30, 2021. Returns greater than 1 year period are compounded annualized.

Past performance may or may not be sustained in future. Inception date: April 10, 1999. Dividends assumed to be reinvested and Bonus is adjusted. Load is not taken into consideration. B: Benchmark, AB: Additional Benchmark, TRI: Total Return Index Values. As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite of (AB: Nifty 50 TRI values from 10.04.1999 to 30.06.1999 and TRI values since 30.06.1999). Refer next page for complete performance disclosure.



COMPLETE PERFORMANCE DISCLOSURE

Scheme	NAV as on September 30,2021	Compounded Annualised Growth Rate Performance (%)								Inception Date
		Last 1 Year		Last 3 Years		Last 5 Years		Since inception		
		Returns	Current Value of Investment of Rs. 10000	Returns	Current Value of Investment of Rs. 10000	Returns	Current Value of Investment of Rs. 10000	Returns	Current Value of Investment of Rs. 10000	
Franklin India Taxshield (FIT)-Growth @	853.1398	71.51%	17,151	16.11%	15,674	12.91%	18,359	21.86%	8,53,140	10.04.1999
B: Nifty 500 TRI		62.87%	16,287	19.44%	17,063	16.61%	21,569	16.43%	3,06,258	
AB: Nifty 50 TRI *		58.54%	15,854	18.58%	16,696	16.81%	21,757	15.18%	2,40,136	
Performance of Top 3 and bottom 3 schemes managed by the fund managers of the scheme										
Franklin India Prima Fund (FIPF)-Growth @	1543.1661	68.36%	16,836	19.82%	17,229	14.46%	19,655	19.83%	15,43,166	01.12.1993
B: Nifty Midcap 150 TRI ++ \$		76.81%	17,681	23.94%	19,074	16.94%	21,880	13.23%	317891	
AB: Nifty 50 TRI		58.54%	15,854	18.58%	16,696	16.81%	21,757	12.03%	2,36,667	
Franklin India Flexi Cap Fund (FICF) - Growth @	948.6574	76.13%	17,613	18.48%	16,657	14.31%	19,527	18.35%	9,48,657	29.09.1994
B: Nifty 500 TRI \$		62.87%	16,287	19.44%	17,063	16.61%	21,569	11.64%	1,95,747	
AB: Nifty 50 TRI *		58.54%	15,854	18.58%	16,696	16.81%	21,757	11.33%	1,81,900	
Franklin India Equity Advantage Fund (FIEAF) - Growth	122.0882	72.71%	17,271	16.70%	15,912	12.85%	18,312	16.28%	1,22,088	02.03.2005
B: Nifty LargeMidcap 250 Index TRI \$\$\$		67.62%	16,762	21.52%	17,974	17.83%	22,720	15.33%	106657	
AB: Nifty 50 TRI		58.54%	15,854	18.58%	16,696	16.81%	21,757	15.13%	1,03,577	
Franklin India Smaller Companies Fund (FISCF) - Growth	88.8394	86.72%	18,672	19.33%	17,015	13.44%	18,791	14.90%	88,839	13.01.2006
B: Nifty Smallcap 250 TRI @@		88.89%	18,889	23.37%	18,807	14.38%	19,583	14.42%	83,098	
AB: Nifty 50 TRI		58.54%	15,854	18.58%	16,696	16.81%	21,757	13.66%	74,882	
Franklin India Opportunities Fund (FIOF) - Growth @	120.2788	66.67%	16,667	19.78%	17,210	14.40%	19,598	12.19%	1,20,279	21.02.2000
B: Nifty 500 TRI ### \$		62.87%	16,287	19.44%	17,063	16.53%	21,495	4.74%	27,233	
AB: Nifty 50 TRI		58.54%	15,854	18.58%	16,696	16.81%	21,757	12.82%	1,35,659	

Past performance may or may not be sustained in future. Fund Managers: FIT: R. Janakiraman (Managing Since 02-May-16), FICF: Anand Radhakrishnan (Managing Since 31-Mar-07) & R. Janakiraman (Managing Since 01-Feb-11), FISCF/FIPF: R. Janakiraman (Managing Since 11-Feb-08) & Krishna Prasad Natarajan (Managing Since 30-Aug-21), FIEAF: R. Janakiraman (Managing Since 21-Feb-14), FIOF: R. Janakiraman (Managing Since 01-Apr-13) & Krishna Prasad Natarajan (Managing Since 30-Aug-21). B: Benchmark. AB: Additional Benchmark. N.A.: Not Applicable. The FIT fund manager R. Janakiraman manages 6 (FIT, FIEAF, FIOF, FIEF, FIPF, FISCF) schemes of Franklin Templeton Mutual Fund respectively. Period for which scheme's performance has been provided is computed basis last day of the month-end preceding the date of advertisement. The top three and bottom three funds managed by the fund manager(s) have been derived on the basis of the since inception returns. Different plans have a different expense structure. The performance details provided herein are of Regular Plan. Load is not taken into consideration. IDCW assumed to be reinvested and Bonus is adjusted. On account of difference in the type/category, asset allocation or investment strategy, inception dates, performances of these funds are not strictly comparable. Please refer to www.franklintempletonindia.com for details on performance of all schemes (including Direct Plans). ### Index adjusted for the period February 21, 2000 to March 10, 2004 with the performance of ET Mindex and for the period March 10, 2004 to June 4, 2018 with the performance of S&P BSE 200. ++ Index is adjusted for the period December 1, 93 to May 20, 2013 with the performance of Nifty 500 and for the period May 20, 2013 to Jun 4, 2018 with the performance of Nifty Midcap 100. ^^ As the scheme was launched before the launch of the benchmark index, benchmark index figures since inception are not available. ^ IDCW Plan returns are provided since Growth Plan was introduced later in the scheme w.e.f. September 05, 2003. Performance of IDCW plan would be at the gross rates. \$\$\$ The Index is adjusted for the period Mar 2, 2005 to Feb 11, 2019 with the performance of Nifty 500. @@ Index adjusted for the period January 13, 2006 to June 4, 2018 with the performance of Nifty Midcap 100. \$\$ The Index is adjusted for the period Dec 29, 2000 to Feb 11, 2019 with the performance of MSCI India Value. TRI - Total Return Index. @ As TRI data is not available since inception of the scheme, benchmark performance is calculated using composite CAGR in FIT: * Nifty 50 PRI values from 10.04.1999 to 30.06.1999 and TRI values since 30.06.1999; FIPF: \$ Nifty 500 PRI values from 01.12.1993 to 26.11.1998, Nifty 500 TRI values from 26.11.1998 to May 20, 2013, Nifty Midcap 100 TRI values from May 20, 2013 to June 4, 2018 and Nifty Midcap 150 TRI values since June 4, 2018, * Nifty 50 PRI values from 01.12.1993 to 30.06.1999 and TRI values since 30.06.1999; FICF: \$ Nifty 500 PRI values from 29.09.1994 to 26.11.1998 and TRI values since 26.11.1998, * Nifty 50 PRI values from 29.09.1994 to 30.06.1999 and TRI values since 30.06.1999; FIOF: \$ ET Mindex PRI values from 21.02.2000 to 10.03.2004, S&P BSE 200 PRI values from 10.03.2004 to 01.08.2006, S&P BSE 200 TRI values from 01.08.2006 to 04.06.2018 and Nifty 500 TRI values since 04.06.2018.

Sector Definition

FT Enhanced GICS Sector	AMFI Industry Classification	Materials	Cement, Chemicals & Metals
Financials	Banks, Financial Institution	Consumer Staples	FMCG, Food Products & Beverages
Communication Services	Telecom, Media & Entertainment	Energy	Oil, Gas & Petroleum Products
Information Technology	IT & Services, Software, Tech	Health Care	Health Care & Pharmaceuticals
Industrials	Industrial Products, Capital Goods	Utilities	Power, Engineering Services
Consumer Discretionary	Auto, Consumer Durables, Textiles Apparel & Luxury Goods	Real Estate	Construction, Realty

Product label is as on September 30, 2021	Franklin India Taxshield	Nifty 500
<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> Long term capital appreciation An ELSS fund offering tax benefits under Section 80C of the Income Tax Act <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at Very High Risk</p>	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at Very High Risk</p>

Product labeling for all schemes are available in this [link](#).

DISCLAIMER: Data in this document is as of September 30, 2021 unless mentioned otherwise. The information mentioned in this material is not sufficient and should not be used for the development or implementation of an investment strategy. While every effort is made to ensure the accuracy and completeness of information contained, Neither Franklin Templeton Group nor any person connected with it takes any responsibility and assumes no liability for any error/ omission or accuracy of the information. The recipients of this information may take professional advice before acting on this information. Please read the Scheme Related Documents carefully in its entirety prior to making an investment decision. For Details please refer www.franklintempletonindia.com. This communication is meant for use by the recipient and not for circulation/reproduction without prior approval. The views expressed by the portfolio managers are based on current market conditions and information available to them and do not constitute investment advice.

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.