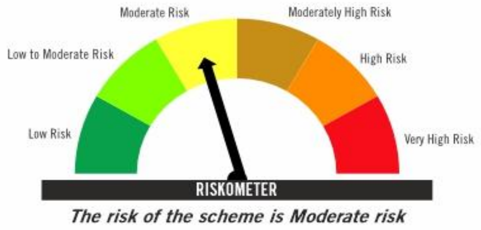
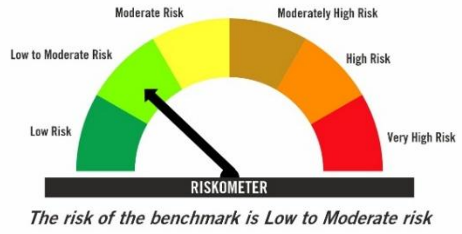
KEY INFORMATION MEMORANDUM (KIM)

FRANKLIN INDIA SHORT TERM FUND

(An open-ended short-term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year to 3 years$)

This product is suitable for investors who are seeking*:	Scheme Riskometer	Benchmark Riskometer (as applicable)
❑ Income in the short term ❑ Investments in Debt & Money Market securities such that the Macaulay duration of the portfolio is between 1 year to 3 years	 	As per AMFI Tier I Benchmark i.e. NIFTY Short Duration Debt Index A-II 

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.
The above product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

Please refer to our website (https://www.franklintempletonindia.com/downloadsServlet/pdf/product-labels-jg9o5k7l) or latest Risk-o-meters of scheme and primary benchmark (Tier I) calculated in accordance with Para 6.16 and 6.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026.

$ Concept of Macaulay's Duration
The Macaulay duration is defined as the weighted average time to full recovery of principal and interest payments of a bond i.e. the weighted average maturity of cash flows. The weight of each cash flow is determined by dividing the present value of the cash flow by the price of the bond. It is computed as follows:

$$\text{Macaulay Duration} = \sum_{t=1}^{n} \frac{(PV)\,(CFt) \times t}{\text{Market Price of Bond}}$$

(PV)(CFt) = present value of cash flows of a bond at period t
t = time to each cash flow (in years)
n = number of periods to maturity

Potential Risk Class (PRC) Matrix for Franklin India Short Term Fund in accordance with Para 6.18 of SEBI Master Circular on Mutual Funds dated March 20, 2026.

Max. Interest Rate Risk ↓	Max. Credit Rate Risk →			
	POTENTIAL RISK CLASS	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
	Relatively Low (Class l)			
	Moderate (Class II)			
	Relatively High (Class III)		B-III	

Description of potential risk: Relatively High-interest rate risk and Moderate credit risk

Potential Risk Matrix contains Maximum Interest rate risk (calculated using Macaulay Duration of the scheme) and Maximum Credit Risk (calculated using the Credit Risk Value).

Offer for Units of Rs. 10 Per Unit for cash during the New fund Offer Period and at NAV based prices upon re-opening

New Fund Offer Opens on: August 5, 2026

New Fund Offer Closes on: August 11, 2026

Scheme Re-opens for continuous sale and repurchase on: August 13, 2026

Name of Mutual Fund	Franklin Templeton Mutual Fund
Name of Asset Management Company	Franklin Templeton Asset Management (India) Pvt. Ltd. CIN - U67190MH1995PTC093356
Name of Trustee Company	Franklin Templeton Trustee Services Pvt. Ltd. CIN - U65991MH1995PTC095500
Addresses of Asset Management Company and Trustee Company	One International Centre, Tower 2, 12th and 13th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013
Website	www.franklintempletonindia.com

This Key Information Memorandum (KIM) sets forth the information, which a prospective investor ought to know before investing. **For further details of the scheme/Mutual Fund, due diligence certificate by the AMC, Key Personnel, investors' rights & services, risk factors, ,penalties & pending litigations etc. investors should, before investment, refer to the Scheme Information Document and Statement of Additional Information available free of cost at any of the Investor Service Centres or distributors or from the website** https://www.franklintempletonindia.com/downloads/fund-documents**.**

The Scheme particulars have been prepared in accordance with Securities and Exchange Board of India (Mutual Funds) Regulations 2026, as amended till date, and filed with Securities and Exchange Board of India (SEBI). The units being offered for public subscription have not been approved or disapproved by SEBI, nor has SEBI certified the accuracy or adequacy of this KIM.

This Key Information Memorandum is dated July 22, 2026.

- **Investment Objective**

The objective of the Scheme is to achieve optimal returns over the short term by investing in a diversified set of debt and money market securities. However, there is no assurance that the investment objective of the scheme will be achieved.

- **Asset Allocation Pattern of the scheme**

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Debt and Money Market Instruments including government securities	0	100

Under normal market circumstances, the investment range would be as follows:
The Fund shall have a Macaulay Duration of the portfolio between 1 year to 3 years. To reduce the risk of the portfolio, the Scheme may use various derivative and hedging products from time to time, in the manner permitted by SEBI.

In accordance with Clause 13.18 of SEBI Master Circular for Mutual Funds dated March 20, 2026, the cumulative gross exposure through debt, money market instruments, derivative positions, repo transactions, other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time, will not exceed 100% of the net assets of the scheme.

However, cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure. SEBI, vide letter dated November 3, 2021, has clarified that Cash Equivalent shall consist of the following securities having residual maturity of less than 91 days:

- Government Securities,
- T-Bills and
- Repo on Government Securities

Further, a part of the total assets may be invested in the Tri-Party Repos on Government Securities or Treasury Bills (TREPS) to meet the liquidity requirements subject to regulatory approval, if any.

Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)

Sl. No	Type of Instrument	Percentage of Exposure (% of total assets)	Circular References
1.	Securities Lending	A maximum of 40% of net assets may be deployed in securities lending and the maximum single party exposure may be restricted to 10% of net assets outstanding at any point of time. Presently, Securities lending and borrowing (SLB) is an Exchange traded product. Counterparty is not known for transactions carried out under SLB segment and they are guaranteed by Clearing Corporations and hence do not carry any counter party risk. Accordingly, single party exposure limit will not apply to trades on Stock Exchange platform. Single party exposure limits can only apply in case of OTC (over the counter) trades where	Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026

Sl. No	Type of Instrument	Percentage of Exposure (% of total assets)	Circular References
		counterparty can be identified.	
2.	Debt Derivatives for hedging/non hedging purpose	Up to 100% of net assets. The Scheme may use derivatives for such purposes as may be permitted by the Regulations, including for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI from time to time. Up to 20% of Net assets for imperfect hedging	Para 8.5, 8.6 and 13.15 of SEBI Master Circular on Mutual Funds dated March 20, 2026
3.	Securitized Debt	Up to 50%	Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026
4.	Repo/ reverse repo transactions in corporate debt securities	Up to 10%	Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026
5.	Debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and/or convertible to equity upon trigger of a pre-specified event for loss absorption (For eg. Additional Tier I bonds and Tier 2 bonds issued under Basel III framework)	Up to 10% of Net assets and not more than 5% of net assets in instruments issued by a single issuer	Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026
6.	Debt instruments with Credit enhancement/structured obligations	Up to 10% of the debt portfolio of the scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the schemes	Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026
7.	Short Selling in debt instruments	The scheme will not engage in Short Selling.	Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026
8.	Overseas Securities	The scheme will not invest in Overseas Securities	Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026
9.	Credit Default Swap transactions	The scheme will not engage in Credit Default Swap Transactions	Para 13.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026
10.	Units of InVITs	The scheme will not invest in InVITs	Para 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026
11.	Other Mutual Funds	The scheme will not invest in other mutual fund units	Para 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and

Sl. No	Type of Instrument	Percentage of Exposure (% of total assets)	Circular References
			FAQs issued by AMFI dated May 4, 2026
12.	Tri-party repos	Upto 100% of net assets	Not applicable

The scheme shall maintain liquid assets in the form of Redemption at Risk (LR-RaR) and Conditional Redemption at Risk (LR-CRaR) which shall be atleast 10% of net assets of the scheme or as prescribed at Annexure 1 of AMFI Best Practices Guidelines Circular No.93 / 2021-22 dated July 24, 2021, whichever is higher. The schemes shall maintain the above two ratios at 100% of the requirement on a daily basis.

However, to meet redemptions, AMCs may have to periodically dip into their liquid assets which may result in the liquidity ratio dropping below 100% on those days. To factor in such scenarios, the scheme shall ensure that the ratio is restored to 100% of the requirement by ensuring the net inflows (through net subscription/accruals/ maturity & sale proceeds) into the scheme are used for restoring the ratios before making new purchases outside 'Eligible Assets'. In case the ratio remains below 100% for more than 15 consecutive days, then, this information shall be highlighted to Trustees till such time the said ratio is not restored to 100% of the requirement on weekly basis. In respect to asset allocation limits as provided in above table, the base shall be considered as net assets excluding the extent of minimum stipulated eligible assets i.e. higher of 10% of net assets or LR-CRaR as prescribed at Annexure 1 of AMFI Best Practices Guidelines Circular No.93 / 2021-22 dated July 24, 2021.

It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially (subject to and within the maximum limits prescribed above) depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. The asset allocation pattern described above may alter from time to time on a short-term basis on defensive considerations (As per Para 1.9.1b(ii) of SEBI Master circular on Mutual Funds dated March 20, 2026), keeping in view market conditions, market opportunities, applicable regulations and political and economic factors (i.e., for reasons other than downgrade in rating) and would, in such cases, shall be rebalanced within 30 calendar days from date of deviation. However, if the asset allocation pattern is to be altered for other reasons, as this is a fundamental attribute, the procedure outlined in the paragraph on fundamental attributes below, shall be followed.

In accordance with the requirement of regulation 40 of SEBI (Mutual Funds) Regulations, 2026 read with Chapter 18 of SEBI Master Circular for Mutual Funds dated March 20, 2026 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days from the request of CDMDF. Further, an incremental contribution to CDMDF shall be made every six months within 10 working days from the end of half year to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

However, in case of winding up of contributing Scheme, inter-scheme transfers within the same Mutual Fund or across Mutual Funds may be undertaken.

Further, investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF.

Portfolio rebalancing:

In the event of deviations, the portfolio will be rebalanced Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular for Mutual Funds. In the event of deviation from mandated asset allocation mentioned in the Scheme Information Document (SID) due to passive breaches (occurrence of instances not arising out of omission and commission of AMCs), rebalancing period shall be 30 Business Days. Where the portfolio is not rebalanced within 30 Business Days justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee. The Investment committee shall then decide on the course of action. The Investment Committee, if so desires, can extend the timelines up to sixty (60) business days from the date of completion of the mandated

rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.
As per Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 all the reporting and disclosure requirements shall be complied with. This includes disclosure to investors in case the AUM of deviated portfolio is more than 10% of the AUM of main portfolio of scheme.

- **Investment Strategy**

To achieve the investment objective of generating regular income in the short term, the scheme will invest in debt and money market instruments. The scheme will actively manage a portfolio of Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 1 and 3 years.
The scheme may also invest in debt derivatives as stated in the indicative table. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.
For detailed derivative strategies, please refer to SAI.

- **Risk Profile of the Scheme**

Mutual Fund Units involve investment risks including the possible loss of principal. Please read the SID carefully for details on risk factors before investment. Scheme specific Risk Factors are summarized below:

- Market Risk/Interest Rate Risk: The Net Asset Value (NAV) of the Scheme(s), to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the Scheme(s) is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
- Liquidity Risk: The liquidity of a security may change depending on market conditions leading to changes in the liquidity premium linked to the price of the security. At the time of selling the security, the security can become illiquid leading to loss in the value of the portfolio.
- Credit Risk: Investments in Fixed Income Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer.
- Price Risk: Government securities where a fixed return is offered run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities. The price-risk is not unique to Government Securities. It exists for all fixed income securities. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system.
- Reinvestment Risk: This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.
- Regulatory Risk: Changes in government policy in general and changes in tax benefits applicable to Mutual Funds may impact the returns to investors in the Scheme.
- Risks associated with investment in unlisted securities: Except for any security of an associate or group company, the scheme can invest in securities which are not listed on a stock exchange ("unlisted Securities") which in general are subject to greater price fluctuations, less liquidity and greater risk than those which are traded in the open market. Unlisted securities may lack a liquid secondary market and there can be no assurance that the Scheme will realise their investments in unlisted securities at a fair value. The AMC may choose to invest in unlisted securities that offer

attractive yields. This may increase the risk of the portfolio.

- Settlement risk: The inability of the Schemes to make intended securities purchases due to settlement problems could cause the Schemes to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the Schemes' portfolio due to the extraneous factors that may impact liquidity would result, at times, in potential losses to the Scheme, in case of a subsequent decline in the value of securities held in the Schemes' portfolio.
- Different types of fixed income securities in which the Scheme(s) would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Scheme(s) risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities.
- The AMC may, considering the overall level of risk of the portfolio, invest in lower rated / unrated securities offering higher yields as well as zero coupon securities that offer attractive yields. This may increase the absolute level of risk of the portfolio.
- As zero coupon securities does not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio.
- The Scheme(s) at times may receive large number of redemption requests, leading to an asset-liability mismatch and therefore, requiring the investment manager to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments.

For details on risk factors and risk mitigation measures, please refer SID.

- **Plans/Options**

Plans:

- Regular
- Direct

Options:

- Growth
- Income Distribution cum capital withdrawal (IDCW) Option (Payout and Reinvestment)

Default plan and option: Direct – Growth

For detailed disclosure on default plans and options, kindly refer SAI.

- **Applicable NAV (after the scheme opens for subscriptions and redemptions)**

Purchases including switch-in:

In respect of valid applications received* up to 3:00 p.m. by the Mutual Fund and the funds are available for utilisation on the same day before the cut-off time - the closing NAV of the day on which the funds are available for utilisation shall be applicable.

In respect of valid applications received* after 3:00 p.m. by the Mutual Fund and the funds are available for utilisation on the same day - the closing NAV of the Business Day following the day on which the funds are available for utilisation shall be applicable.

However, irrespective of the time of receipt of application, where the funds are not available for utilisation on the day of the application, the closing NAV of the Business Day on which the funds are available for utilisation before the cut-off time (3:00 p.m.) shall be applicable provided the application is received* prior to availability of the funds.

Investors are encouraged to avail electronic payment modes to transfer funds to the bank account of the Scheme to expedite unit allotment.

For determining the availability of funds for utilisation, the funds for the entire amount of subscription/purchase (including switch-in) as per the application should be credited to the bank account of the scheme before the cut-off time and the funds are available for utilisation before the cut-off time without availing any credit facility whether intra-day or otherwise, by the respective scheme.

For investments through systematic investment routes such as Systematic Investment Plans (SIP), Systematic Transfer Plans (STP), Transfer of Income Distribution cum capital withdrawal plan (TIDCW) etc. the units

will be allotted as per the closing NAV of the day on which the funds are available for utilization by the destination Scheme irrespective of the instalment date of the SIP, STP or record date of dividend etc.
In case of transactions through online facilities / electronic modes, there may be a time lag of upto 5-7 banking days between the amount of subscription being debited to investor's bank account and the subsequent credit into the respective Scheme's bank account. This lag may impact the applicability of NAV for transactions where NAV is to be applied, based on actual realization of funds by the Scheme. Under no circumstances will AMC or its bankers or its service providers be liable for any lag / delay in realization of funds and consequent pricing of units.
Transfer of unit(s) shall be subject to payment of applicable stamp duty by the unitholder(s) and applicable laws. Accordingly, pursuant to levy of stamp duty, the number of units allotted on purchase transactions (including switch-in, Systematic investments, Reinvestment of Income Distribution cum capital withdrawal option, etc) to the unitholders would be reduced to that extent.

Redemptions including switch-out :
In respect of valid applications received* up to 3:00 p.m. by the Mutual Fund, the closing NAV of the day of receipt of application shall be applicable.
In respect of valid applications received* after 3:00 p.m. by the Mutual Fund, the closing NAV of the next business day shall be applicable.
The redemption and switch-out of transaction will be processed only if the payment instrument of the original purchase transaction under that particular fund is realised.
*Received at the ISC/Collection Centres of Franklin Templeton Mutual Fund.

- **Minimum Application Amount/ Number of Units**

Purchase
During NFO & on continuous basis: Rs. 5,000 and in multiples of Rs. 1 thereafter
Additional Purchase
Rs.1,000/- and in multiples of Rs. 1 thereafter
Redemption
Rs. 1,000/- and in multiples of Rs. 1 thereafter

- **Non applicability Minimum Application Amount (Lump-sum) and Minimum Redemption amount**

As per Para 7.14 of SEBI Master Circular on Mutual Funds dated March 20, 2026, Alignment of interest of Designated Employees of Asset Management Companies (AMCs) with the Unitholders of the Mutual Fund Schemes has, inter alia mandated that a certain percentage of gross annual CTC net of income tax and any statutory contributions of the Designated Employees of the AMCs shall be invested in units of the scheme(s) of the Fund in which they have a role/oversight.
In accordance with the regulatory requirement, the minimum application amount and minimum redemption amount will not be applicable for investment made in schemes of the Fund in compliance with the aforesaid circular(s).
The above-mentioned provisions shall override the conflicting provisions, if any

- **Despatch of Redemption Request**

Redemption: Within 3 working days of the receipt of the redemption request at the authorised centre of Franklin Templeton Mutual Fund.

- **Benchmark Index**

NIFTY Short Duration Debt Index A-II. The composition of the aforesaid first tier benchmark is such that it is most suited for comparing performance of the scheme.
The Trustees reserves right to change benchmark in future for measuring performance of the scheme.

- **Dividend Policy**

Income Distribution cum capital withdrawal (IDCW) is based on the availability of adequate distributable surplus in the scheme. The amounts can be distributed out of investors capital (Equalization Reserve), which is part of sale price that represents realized gains. The Trustee may, at its sole discretion distribute income under IDCW option/plan in the fund at any time. Although there is every intention to distribute income, there is no assurance or guarantee as to the frequency or quantum of such distribution nor that the distributions be regularly paidThe procedure of declaring IDCW and fixing of record dates for regular/ad-hoc frequencies will be in accordance with Chapter 12 of SEBI Master Circular on Mutual Funds dated March 20, 2026.

- **Name of the Fund Manager including the tenure for which the fund manager has been managing the scheme**

Fund Manager	Tenure of managing the scheme
Rohan Maru	Since inception of the scheme
Anuj Tagra	Since inception of the scheme
Rahul Goswami	Since inception of the scheme

- **Name of the Trustee Company**

Franklin Templeton Trustee Services Pvt. Ltd., a company set up under the Companies Act 1956, and approved by SEBI to act as the Trustee to the schemes of Franklin Templeton Mutual Fund

- **Performance of the scheme**:

This is a new scheme and does not have any performance track record

- **Additional Scheme Related disclosures**

1. Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors to be provided through a functional website link that contains detailed description.)- NA
2. Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds through a functional website link that contains detailed description- NA
3. Portfolio Turnover Ratio- NA

- **Expenses of the Scheme**
  - **Load Structure: Exit Load:** Nil
  - **Recurring expenses:**

Subject to the Regulations, the Trustee / AMC reserves the right to modify / change the load structure on a prospective basis.

NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like marketing and advertising, registrar expenses, printing and stationery, bank charges etc during the New Fund Offer and shall be borne by the AMC.

ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below.

The AMC has estimated that upto 1.85% of the daily average net assets of the scheme will be charged to the scheme as Base Expense Ratio. For the actual current expenses being charged, the investor should refer to the website of the mutual fund: https://www.franklintempletonindia.com/reports?secondFilter=15

In accordance with Regulations, the asset management company ("AMC") is entitled to charge the scheme with investment and advisory fees. In addition to such fees, the AMC may charge the scheme such expenses as may be permitted under Regulations from time to time.

The maximum annual recurring expenses that can be charged to the Scheme shall be within the limits stated in Regulations 66 and 67 read with SEBI notification no. SEBI/LAD-NRO/GN/2026/294 dated January 14, 2026 and Para 11 of Master Circular on Mutual Funds dated March 20, 2026, as follows:

(1) **Base Expense Ratio (BER) as per Regulation 66(7)** - This will be the sum of Investment management and advisory fee as per Regulation 66(4), Recurring expenses of the scheme as per Regulation 66(5) and Charges/ Commission/ fees related to distribution of the scheme as per Regulation 66(6) subject to the limits specified in the table below (as % of daily net assets) as mentioned in the revised SEBI (Mutual Funds) Regulations, 2026 under Regulation 66 (7)(c). The BER of the scheme will exclude statutory levy applicable, if any, on the said expenses and transaction cost specified under Regulation 66 (10).

on the first Rs. 500 crores	1.85%
on the next Rs. 250 crores	1.65%
on the next Rs. 1,250 crores	1.40%
on the next Rs. 3,000 crores	1.25%
on the next Rs. 5,000 crores	1.15%
On the next Rs. 40,000 crores	Total expense ratio reduction of 0.05% for every increase of Rs.5,000 crores of daily net assets or part thereof.
Above Rs. 50,000 crores	0.70%

The Scheme may charge the following expenses, over and above BER, subject to regulatory limits specified.

(2) **Brokerage costs as per Regulation 66(9)** – expenses incurred for the purpose of execution of trade up to 0.06%of trade value in case of cash market transactions and 0.02% of trade value in case of derivatives transactions. The brokerage costs incurred in excess of the said limit, shall be a part of the BER limit specified under Regulation 66(7).

(3) **Transaction cost as per Regulation 66(10)** - Transaction Cost incurred for the purpose of execution of a trade i.e. regulatory levies and any other expenses charged by the stock exchanges, clearing corporation, and clearing house, as applicable

(4) **Statutory levies as defined in Regulation 2(yy)** includes levies imposed by the state and central government on expenses charged as per Regulation 66(7), 66(9) and 66(10) i.e. Goods and Services Tax (GST), Security Transaction Tax (STT), Stamp duty etc. at actuals

(5) **Total Expense Ratio as per Regulation 67** - means the sum of all expenses charged within the BER as specified under Regulation 66(7), brokerage cost as specified under Regulation 66(9), transaction cost as specified under Regulation 66(10) and statutory levies charged to the investors

Any expenses in excess of the above limits shall be borne by the asset management company or trustee or sponsors after investment and advisory fees charged to the scheme, if any, is fully reversed

Any expenses other than those specified in sub regulation (4), sub regulation (5), sub regulation (6), sub regulation (9) and sub regulation (10) and statutory levies at actuals, shall be borne by the asset management company or trustee or sponsors

Within such total recurring expenses charged to the scheme as above, the investment management and advisory fee (charged as a percentage of daily net assets) would be as decided by the AMC from time to time, provided that the investment management and advisory fee shall not exceed **Regulation 66(7)**

The AMC has estimated the following recurring expenses for the first Rs.500 crores of Average Daily Net

Assets:

Expense Head	% p.a. of daily Net Assets* (Estimated p.a.)
A) Maximum Base expenses ratio (BER) permissible under Regulation 66(7)(c) 1. Investment Management & Advisory Fee 2. Audit fees/fees and expenses of trustees 3. Custodial Fees 4. Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants 5. Marketing & Selling Expenses including fees, commission and charges towards distribution of mutual fund schemes 6. Costs related to investor communications 7. Costs of fund transfer from location to location 8. Cost towards investor education, awareness and financial inclusion (IAP Expenses)* 9. Brokerage Cost (excluding Goods and Service Tax) incurred for the purpose of execution of trade in excess limits specified in sub regulation 66(9) 10. Cost of statutory advertisements 11. Other Expenses (as may be specified or approved by the Board)	1.85%
Maximum Base expenses ratio (BER) permissible under Regulation 66 (7)(C)	A
B) Brokerage costs incurred for the purpose of trade as per Regulation 66 (9) - up to 0.06%/ 0.02% of trade value	at actuals
C) Transaction Cost incurred for the purpose of execution of trades as per Regulation 66 (10)	at actuals
D)Statutory levies (including GST) on all expenses excluding brokerage and transaction cost	at actuals (calculated as per applicable rates)
E) Statutory levies (including GST) on brokerage and transaction cost	at actuals (calculated as per applicable rates)
Total expenses ratio (TER) permissible under Regulation 67	A+B+C+D+E

*The investments under 'Direct' shall have a lower expense ratio excluding distribution expenses, commission, etc., and no commission shall be paid on investments under Direct Plan. The Direct Plan shall also have a separate NAV

**As per Para 11.9.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026, the AMC shall annually set apart at least 0.02% on daily net assets within the maximum limit of BER as per Regulation 66(7) for investor education and awareness initiatives

All scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily be paid from the scheme only within the regulatory limits and not from the books of the AMC, its Associate, Sponsor, Trustee or any other entity through any route.

However, expenses that are very small in value but high in volume may be paid out of AMC's books at actuals or not exceeding 2 bps of respective scheme AUM, whichever is lower. A list of such miscellaneous expenses will be as provided by AMFI in consultation with SEBI.

Additional incentives to **distributors for onboarding new individual investors from B-30 cities and women investors**

Pursuant to Clause 11.6 of SEBI Master Circular No. HO/24/13/11(1)/2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, effective March 1, 2026, additional incentives as detailed below shall be payable to distributors for onboarding new individual investors from B-30 cities and women investors. Such incentives shall be paid out of the IAP expenses mandated to be set apart annually by AMCs, subject to adequate claw-back provisions and the terms and conditions specified therein.

B-30 cities shall mean top 30 cities based on AMFI data on 'AUM by Geography –Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year

Incentive Structure Applicable

Investment Mode	Commission Structure
Lump Sum Investment	1% of the amount of the first application, subject to a maximum of INR 2,000, provided the investor remains invested for a minimum period of one year
Systematic Investment Plan (SIP)	1% of the total investment made during the first year, subject to a maximum of INR 2,000

The above estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se and types of the expenses charged shall be as per the Regulations.

For the actual Annual Scheme Recurring expenses currently being charged, the investor should refer to https://www.franklintempletonindia.com/reports?secondFilter=15

Actual expenses for the previous financial year ended March 2026: **Not applicable as the scheme is new**

The maximum limit of recurring expenses that can be charged to the Scheme would be as per Regulation 66 of the SEBI (MF) Regulation, 2026. Investors are requested to read "Section- Annual Scheme Recurring Expenses" in the SID.

- **Tax treatment for the Investors (Unitholders)**

Investors are advised to refer to the details given in the Statement of Additional Information (SAI) under the section "Taxation". However, the information provided therein is for general information purpose only and is based on the prevailing tax laws. In view of the individual nature of the implications, each investor is advised to consult with his or her own tax advisors with respect to the specific tax and other implications arising out of his or her participation in the schemes.

- **Daily Net Asset Value (NAV) Publication**

The Mutual Fund is required to declare the NAV of the Scheme on every Business Day on AMFI's website www.amfiindia.com by 11.00 p.m. (current time limit for uploading NAV as per the SEBI guidelines) and also on our website https://www.franklintempletonindia.com/funds-and-solutions/latest-fund-navs-and-dividends.
In case NAV of Corporate Debt Market Development Fund ('CDMDF') units is not available by 9:30 p.m. of same Business Day, NAV declaration timing for Mutual Fund Schemes holding units of CDMDF shall be 10 a.m. on next business day instead of 11 p.m. on same Business Day.
The disclosure of NAV as outlined above is as per the prevailing SEBI Regulations and is subject to change from time to time.

- **For Investor Grievances please contact**

Name and Address of Registrar:
Computer Age Management Services Private Limited
No.10 (Old No.178), M.G.R. Salai, Nungambakkam, Chennai – 600 034.

- **Deployment of Funds collected in New Fund Offer (NFO) period**

Pursuant to SEBI Circular dated February 27, 2025, the AMC shall aim to deploy the funds garnered during the NFO within 30 business days from the date of allotment of units. In exceptional cases, if the AMC is unable to deploy the funds within the 30 business day period, a written explanation, including details of the efforts taken to deploy the funds, shall be placed before the Investment Committee of the AMC. The Investment Committee may extend the deployment timeline by up to 30 business days and will provide recommendations to ensure timely deployment in the future.
In case the funds are not deployed as per the asset allocation mentioned in the SID as per the aforesaid mandated plus extended timelines, AMC shall:

- not be permitted to receive fresh flows in the Scheme till the time the funds are deployed as per the asset allocation mentioned in the SID;
- not be permitted to levy exit load, if any, on the investors exiting the Scheme after 60 business days of not complying with the asset allocation of the scheme;
- inform all investors of the NFO, about the exit option without exit load, via email, SMS or other similar mode of communication;
- report deviation, if any, to Trustees at each of the above stages

- **Unitholders' Information**
  - **Account Statement:**

On acceptance of the application for subscription, a confirmation specifying the number of units allotted by way of email and/or SMS will be sent to the Unitholders within 5 Business Days from the date of receipt of application at their email address and/or mobile number registered with the Mutual Fund/AMC.

- **Consolidated Account Statement**

In order to enable a single consolidated view of all the investments of an investor in Mutual Funds and securities held in demat form with the Depositories, Mutual Fund- Registrar & Transfer Agents or Depositories shall generate and dispatch of single Consolidated Account Statement (CAS) to the investors. Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be PAN of the first holder and pattern of holding.

A) Unitholders who have registered their Permanent Account Number (PAN) with the Mutual Fund will receive a Consolidated Account Statement as follows:

1. **Unitholders who hold Demat Account**

   The Account Statement containing details relating to all financial transactions (purchase, redemption, switch, systematic investment plan, systematic transfer plan, systematic withdrawal plan, Transfer of Income Distribution cum capital withdrawal plan, Payout of Income Distribution cum capital withdrawal option, Reinvestment of Income Distribution cum capital withdrawal option and bonus transactions) made by the unitholder across all mutual funds and transaction in dematerialised securities across demat accounts of the Unitholder will be sent by the Depositories, for each calendar month within 15th day of the succeeding month to the unitholders in whose folios transactions have taken place during that month.

   CAS shall be sent every half yearly (September/ March), on or before 21st day of succeeding month, detailing holding at the end of the six month, to all such Unitholders in whose folios and demat accounts there have been no transactions during that period.

   In case of demat accounts with nil balance and no transactions in securities and in mutual fund folios, the Depository shall send account statement in terms of regulations applicable to the depositories.

2. **Unitholders who do not hold Demat Account**

   The Account Statement containing details relating to all financial transactions (purchase, redemption, switch, systematic investment plan, systematic transfer plan, systematic withdrawal plan, Transfer of Income Distribution cum capital withdrawal plan, Payout of Income Distribution cum capital withdrawal option, Reinvestment of Income Distribution cum capital withdrawal option and bonus transactions) made by the unitholder across all mutual funds where PAN of the investor is registered and holding at the end of the month will be sent for each calendar month within 15th day of the succeeding month to the unitholders in whose folios transactions have taken place during that month. The financial transactions processed from the 1st day of the month till 30/31 will be included in CAS, irrespective of trade date of the transaction.

The CAS detailing holding across all schemes of all mutual funds where PAN of the investor is registered, shall be sent at the end of every six months (i.e. September/ March), on or before 21st day of succeeding month to all mutual fund investors, excluding those investors who do not have any holdings in mutual fund schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period. Such CAS shall reflect the closing balance and value of the Units as at the end of the month, the amount of actual commission paid by AMC to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme and scheme's average Total Expense Ratio (in percentage terms) for the half-year period, of both direct plan and regular plan.

For the purpose of sending CAS, common investors across mutual funds shall be identified by their PAN.

PAN identified as having a demat account by Depositories for generating CAS will not be considered while generating a Mutual Fund level CAS.

In case of a specific request received from the Unitholders, the AMC/Mutual Fund will provide the account statement to the Unitholder within 5 Business Days from the receipt of such request.

B) Unitholders who have not registered their PAN with the Mutual Fund will receive the following:
For normal transactions during ongoing sales and repurchase:

- The AMC shall issue to the investor whose application (other than SIP/STP) has been accepted, an account statement specifying the number of units allotted within 5 working days of allotment.
  For SIP / STP/ Reinvestment of Income Distribution cum capital withdrawal option units:
- Account Statement for SIP and STP will be dispatched once every month along with IDCW reinvestment (daily, weekly, monthly) account statement All other IDCWs statements will be dispatched as and when the IDCW transaction is processed
- A soft copy of the Account Statement will be emailed to investors valid email id
- However, the first Account Statement under SIP/STP shall be issued within 10 working days of the initial investment/transfer.
- In case of specific request received from investors, Mutual Funds shall provide the account statement (SIP/STP) to the investors within 5 working days from the receipt of such request without any charges.

Half-yearly Statement:
The AMC shall provide the Account Statement to the Unitholders who are not having Valid PAN excluding those investors who do not have any holdings in mutual fund schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period. The Account Statement shall reflect the latest closing balance and value of the Units across all schemes in the respective folio, prior to the date of generation of the account statement the amount of actual commission paid by AMC to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme and scheme's average Total Expense Ratio (in percentage terms) for the half-year period, of both direct plan and regular plan.

For those unitholders who have provided an e-mail address, the AMC will send the account statement by email.

The unitholder may request for a physical account statement by writing / calling us at any of the ISC.
The Account Statement issued by the AMC is a record of holdings in the scheme of Franklin Templeton Mutual Fund. Investors are requested to review the account statement carefully and contact their nearest Investor Service Centre in case of any discrepancy. The contents of the statement will be considered to be correct if no error is reported within 30 days from the date of receipt of the Account Statement.

- **Annual Financial Reports**

The scheme-wise annual report, in machine readable format, shall be hosted on the Fund's website (https://www.franklintempletonindia.com/reports) and on the website of AMFI and make the physical copies available to the unit holders, at their registered offices at all times.
AMC shall e-mail the scheme annual reports or abridged summary thereof, in machine readable formats, to all such unit holders, whose email addresses are registered with the Mutual Fund, within 4 months from the date of closure of the relevant financial year. The said communication shall also include details of modes such as SMS, telephone, email or written request (letter), etc. through which unit holders can submit a request for a physical copy of the scheme wise annual report or abridged summary thereof.

- **Financial Results and Portfolio Disclosures**

The Mutual Fund/AMC shall within one month of the close of each half year i.e., 31st March and 30th September, upload the soft copy of its unaudited financial results containing the details specified in Regulation 70 on its website (https://www.franklintempletonindia.com/reports under the head Mutual Fund reports) and send a written communication to unitholders about the availability of financial results on the website..
The Mutual Fund shall disclose portfolio as on the last day of the fortnight/ month for all their schemes on its website (https://www.franklintempletonindia.com/funds-and-solutions/funds-explorer/all-mutual-funds) and on the website of AMFI within 5 days from the end of fortnight and 10 days from the close of each month. In case of unitholders whose e-mail addresses are registered, the Mutual Fund/ AMC shall send via email to such unitholders within prescribed timelines.
AMC shall declare on the website the hosting of the monthly/fortnightly statement of its schemes portfolio on the website and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unit holder can submit a request for a physical or electronic copy of the statement of scheme portfolio. AMC shall provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder.

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