Franklin Templeton Mutual Fund
One International Centre, Tower 2, 12th and 13th Floor, Senapati Bapat Marg,
Elphinstone (West), Mumbai 400013

Addendum to the Scheme Information Document & Key Information Memorandum of few schemes of Franklin Templeton Mutual Fund

Changes pursuant to Categorisation and Rationalisation of Mutual Fund Schemes

Pursuant to SEBI Circular on Categorisation and Rationalisation of Mutual Fund Schemes dated February 26, 2026 read with Chapter 3 of SEBI Master Circular for Mutual Funds dated March 20, 2026 certain features of the schemes of Franklin Templeton Mutual Fund shall stand revised with effect from August 25, 2026.

Accordingly, the relevant provisions of the Scheme Information Documents ("SIDs") and Key Information Memorandums ("KIMs") of the respective schemes including scheme type, category, asset allocation pattern, permissible investments/exposures and other consequential changes shall stand modified as set out in the Annexures forming part of this Addendum, as follows:

Annexure I – Changes pertaining to Equity Schemes

Annexure II – Changes pertaining to Debt Schemes

Annexure III – Changes pertaining to Hybrid Schemes

The names of certain schemes referred to in Annexure II have been changed with effect from August 25, 2026 pursuant to an Addendum dated August 14, 2026 titled "Change in names of Schemes". Accordingly, the revised scheme names as set out in the said Addendum shall apply wherever such schemes are referred to in Annexure II of this Addendum.

All other terms and conditions of the SIDs and KIMs of the respective Schemes, read with the addenda issued from time to time, shall remain unchanged.

This Addendum forms an integral part of the Scheme Information Documents and Key Information Memorandums of the respective Schemes, read with the addenda issued from time to time.

This addendum is dated August 24, 2026.

For **Franklin Templeton Asset Management (India) Pvt. Ltd.**
(Investment Manager of Franklin Templeton Mutual Fund)

Sd/-
Authorised Signatory

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

Annexure I – Changes pertaining to Equity Schemes

1. **Name of the Scheme/s : Franklin India Multicap Fund**
   The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Type of scheme*</td><td>An open-ended scheme investing across large cap, midcap and small cap stocks</td><td>An open ended equity scheme investing across large cap, mid cap, small cap stocks</td></tr>
<tr><td>2. Asset Allocation
3. Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:

<table><tr><th>Instruments</th><th colspan="2">Indicative Allocations (% of Net assets)</th></tr><tr><th></th><th>Minimum</th><th>Maximum</th></tr><tr><td>Equity and Equity related securities of large cap, midcap and small cap companies of which;</td><td>75</td><td>100</td></tr><tr><td>Large Cap companies</td><td>25</td><td>50</td></tr><tr><td>Midcap companies</td><td>25</td><td>50</td></tr><tr><td>Small cap companies</td><td>25</td><td>50</td></tr><tr><td>Debt & Money Market Instruments, cash & cash equivalent</td><td>0</td><td>25</td></tr><tr><td>Units issued by REITs and InvITs</td><td>0</td><td>10</td></tr></table>
The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), and repo transactions in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):</td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><th>Instruments</th><th colspan="2">Indicative Allocations (% of Net assets)</th></tr><tr><th></th><th>Minimum</th><th>Maximum</th></tr><tr><td>Equity and Equity related securities of large cap, midcap and small cap companies of which;</td><td>75</td><td>100</td></tr><tr><td>Large Cap companies</td><td>25</td><td>50</td></tr><tr><td>Midcap companies</td><td>25</td><td>50</td></tr><tr><td>Small cap companies</td><td>25</td><td>50</td></tr><tr><td>Equity and equity related instruments of other companies, money market instruments, other liquid instruments, Units issued by Infrastructure Investment Trusts (InvITs), Units of Debt mutual fund schemes# and gold and silver ETFs</td><td>0</td><td>25</td></tr></table>
The scheme will only invest in Overnight funds, Liquid funds and Money Market Mutual Funds for liquidity purposes
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.
The cumulative gross exposure through equity, debt, derivative positions, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references*</th></tr>
<tr><td>1.</td><td>Derivatives including index futures, stock futures, index options, & stock options (including covered call strategy) in line with SEBI guidelines, etc.</td><td>Upto 50% of net assets of the scheme 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. The margin money deployed on derivative positions would be included in Debt & Money Market Instruments. Derivatives exposure for non-hedging purposes: upto 20%</td><td>Para 12.25 of SEBI Master Circular dated June 27, 2024.</td></tr>
<tr><td>2.</td><td>Securities Lending</td><td>Upto 20% of net assets and the maximum single party exposure will be restricted to 5%^ of net assets</td><td>Para 12.11 of SEBI Master Circular dated June 27, 2024.</td></tr>
</table>
</td><td>SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
<tr><td>1.</td><td>Securities Lending</td><td>Upto 20% of net assets and the maximum single party exposure will be restricted to 5%^ 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 counterparty can be identified.</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>
</td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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 counterparty can be identified.		2.	Derivatives including index futures, stock futures, index options, & stock options (including covered call strategy) in line with SEBI guidelines, etc.	Upto 50% of net assets of the scheme 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. The margin money deployed on derivative positions would be included in Money Market Instruments. Derivatives exposure for non-hedging purposes: upto 20%	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	3.	Securitized Debt	Upto 20% of net assets The Scheme shall	Para 12.3 of SEBI Master Circular dated June	3.	**Securitized Debt**	**The scheme will not invest in Securitized debt**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					4.	**Repo/ reverse repo transactions in corporate debt securities**	**The scheme will not invest in Repo/ reverse repo transactions in corporate debt securities**	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			not invest in foreign securitized debt.	27, 2024.				
	4.	Overseas Securities/ETFs	Upto 25% of net assets	Para 12.19 of SEBI Master Circular dated June 27, 2024.				
	5.	Debt instruments with special features	Upto 10% of the debt portfolio of the scheme and not more than 5% of debt portfolio of the scheme in instruments issued by a single issuer	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024	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)**	**The scheme will not invest in debt instruments with special features**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	6.	Debt instruments having Structured Obligations / Credit Enhancements	Upto 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 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024	6.	**Debt instruments with Credit enhancement/structured obligations**	**The scheme will not invest in Debt instruments with Credit enhancement/structured obligations**	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	7.	Repo transactions in Corporate debt securities	Upto 10% of net assets	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024	7.	Securities borrowing and Short Selling activities	The Scheme shall not engage in Securities borrowing and Short Selling activities	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	8.	Units of debt-oriented mutual funds	Upto 10% of net assets	Schedule 7 of SEBI (Mutual Funds) Regulations,	8.	Overseas Securities	Upto 25% of net assets of the scheme	**Para 13.11 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,**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
				1996				**2026**
	9.	Credit Default Swap transactions	The Scheme shall not invest in Credit Default Swap transactions	-	10	Units issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	10	Securities borrowing and Short Selling activities	The Scheme shall not invest in Securities borrowing and Short Selling activities	-	11	Units of InVITs	A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026**
	11	ReITS and InVITS	A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time. Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment)	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024. In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025	12	**Units of debt mutual Fund schemes for liquidity purposes**	**The Scheme may invest in debt mutual fund scheme like Overnight fund, Liquid Fund and Money market funds for liquidity purposes without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited**	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>
<table>
<tr><td></td><td></td><td>Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.</td><td></td></tr>
</table>

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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.

Portfolio Rebalancing
</td>
<td>
<table>
<tr><td></td><td></td><td>or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund</td><td></td></tr>
<tr><td>13</td><td>Gold & Silver ETFs</td><td>The scheme may invest in Gold & Silver ETFs in line with SEBI regulations</td><td>Para 13.16 of SEBI Master circular for mutual funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 25% of net assets</td><td>Not applicable</td></tr>
</table>

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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
</td>
</tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	In the event of deviations the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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.	fundamental attributes below, shall be followed. **Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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.
4. Any other changes	**A. WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and	**A. WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: **(a) Equity and Equity related instruments of domestic companies / corporations** **(b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government.** **(c) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	treasury bills) (c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government. (d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate/entity as may be permitted by SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo, Reverse Repo, Treasury Bills, Tri-party Repo and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (g) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time (h) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (i) Repo of corporate debt securities (j) Debt Instruments with Credit Enhancement / structured obligations (k) Other schemes managed by the AMC or in the schemes of any other mutual funds (l) Units of Real Estate Investment Trusts (REITs) and	**Rediscounting, TREPs, Repo with underlying government securities or Treasury bill, Reverse Repo Treasury Bills, Tri-party Repo and other Money Market Instruments as may be permitted by SEBI / RBI from time to time.** **(d) Domestic derivatives including stock futures, index futures, stock options, index options, writing of call options under a covered call strategy and other derivative instruments as permitted by SEBI from time to time** **(e) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time** **(f) Other schemes managed by the AMC or in the schemes of any other mutual funds** **(g) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)** **(h) Any other money market and liquid instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time.** **(i) Gold and silver instruments as may be permitted by SEBI from time to time** **Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following:** • **Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas** • **Initial and follow on public offerings for listing at recognised stock exchanges overseas** • **ADRs / GDRs issued by Indian or overseas companies** • **Overseas Money market instruments rated not below investment grade** • **Overseas government securities where the countries are rated not below investment grade** • **Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities)** • **Short term deposits with banks overseas where the issuer is rated not below investment grade** • **Overseas Exchange Traded Funds (ETFs)** • **units/securities issued by overseas mutual funds or unit trusts registered**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	Infrastructure Investment Trusts (InvITs) (m) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: • Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas • Initial and follow on public offerings for listing at recognised stock exchanges overseas • ADRs / GDRs issued by Indian or foreign companies • Foreign debt securities (convertible or non-convertible), except foreign securitized debt in the countries with fully convertible currencies • Overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies • Overseas Money market instruments rated not below investment grade • Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) • Foreign government securities where the countries are rated not below investment grade • Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) • Short term deposits with banks overseas where the issuer is rated not below investment grade	**with overseas regulators and investing in permitted Overseas Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets).** • **Any other permitted overseas securities / instruments that may be available from time to time.** **Investment in Overseas Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time.** The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	• Overseas Exchange Traded Funds (ETFs) • units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). • Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.	
5. Where will the Scheme invest?	**I. Information about the Scheme:** **A. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity	**I. Information about the Scheme:** **A. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and units of Real Estate Investment Trust.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	derivatives and units of Real Estate Investment Trust. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement	• **Units of domestic mutual funds of Overnight, Liquid and Money Market Mutual Funds** • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. • **Other liquid instruments** **Other liquid instruments shall include cash, bank deposits with Scheduled Commercial Banks, Government Securities, Treasury bills, Repo on Government securities and any other instruments as may be specified by SEBI from time to time** **Commodities** **1. Gold ETF** **2. Silver ETF**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.	

2. **Name of the Scheme/s : Franklin India Large Cap Fund**

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Type of scheme*</td><td>Large-cap Fund- An open-ended equity scheme predominantly investing in large cap stocks</td><td>An open ended equity scheme predominantly investing in large cap stocks</td></tr>
<tr><td>2. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:

<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equity and Equity related instruments of Large cap companies</td><td>80</td><td>100</td></tr>
<tr><td>Equity and Equity related instruments of other companies</td><td>0</td><td>20</td></tr>
<tr><td>Debt & Money Market Instruments</td><td>0</td><td>20</td></tr>
</table>

The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

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

<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>A maximum of 40% of net assets may be</td><td>Para 12.11 of SEBI Master Circular on</td></tr>
</table></td><td>Under normal market circumstances, the investment range would be as follows:

<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equity and Equity related instruments of Large cap companies</td><td>80</td><td>100</td></tr>
<tr><td>Equity and Equity related instruments of other companies</td><td>0</td><td>20</td></tr>
<tr><td>Money market instruments, other liquid instruments, Units issued by Infrastructure Investment Trusts (InvITs), Units of Debt mutual fund schemes# and gold and silver ETFs</td><td>0</td><td>20</td></tr>
</table>

The scheme will only invest in in Overnight funds, Liquid funds and Money Market Mutual Funds for liquidity purposes
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities

The cumulative gross exposure through equity, debt, derivative positions, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.</td></tr>
</table>

<table>
<tr><th>Particulars</th><th colspan="4">Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td></td><td></td><td></td><td>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 counterparty can be identified.</td><td>Mutual Funds dated June 27, 2024</td><td rowspan="2">Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):<table><tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr><tr><td>1.</td><td>Securities Lending</td><td>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 counterparty can be identified.</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr></table></td></tr>
<tr><td></td><td></td><td>2</td><td>Securitized</td><td>Upto 20% of the net</td><td>Para 12.15 of SEBI</td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		Debt	assets	Master Circular on Mutual Funds dated June 27, 2024	2.	**Derivatives for hedging and rebalancing purposes**	Up to a maximum of 50% of its AUM	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	3	**Derivatives for hedging and rebalancing purposes**	Up to a maximum of 50% of its AUM	Para 12.25 of SEBI Master Circular dated June 27, 2024.	3.	**Securitized Debt**	**The scheme will not invest in Securitized debt**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	4	**Credit default Swaps**	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024	4.	**Repo/ reverse repo transactions in corporate debt securities**	**The scheme will not invest in Repo/ reverse repo transactions in corporate debt securities**	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	5	**Covered call options**	The Scheme shall not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	6	**Repos/reverse repo in corporate debt securities**	The scheme shall not invest in Repos/reverse repo in corporate debt securities.	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	7	**Overseas Securities**	upto 35% of net assets	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	8	**REITs and InVITS**	The scheme does not intend to invest in units issued by REITs* and InvITs. *Any potential future investment in units of Real Estate Investment	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024 In accordance with the SEBI (Mutual				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.	Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025	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)**	**The scheme will not invest in debt instruments with special features**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	9	**Securities borrowing & Short selling**	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	6.	**Debt instruments with Credit enhancement/structured obligations**	**The scheme will not invest in Debt instruments with Credit enhancement/structured obligations**	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			required under said guidelines.		8.	Overseas Securities	upto 35% of net assets of the scheme	**Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	10	**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)**	The scheme may invest in certain 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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments;	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024	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 issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					11	**Units of InVITs**	**A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time.**	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer		12	**Units of debt mutual Fund schemes for liquidity purposes**	**The Scheme may invest in debt mutual fund scheme like Overnight fund, Liquid Fund and Money market funds for liquidity purposes without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund**	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
	11	**Debt instruments with Credit enhancement/ structured obligations**	Investment of the scheme in the following instruments shall not exceed 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 scheme	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024	13	**Gold & Silver ETFs**	**The scheme may invest in Gold & Silver ETFs in line with SEBI regulations**	**Para 13.16 of SEBI Master circular for mutual funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
	12	**Units of mutual Fund schemes**	The Scheme may invest in any other scheme with similar investment objectives without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996	13	Tri-party repos	Upto 20% of net assets of the scheme	Not applicable
					14	Covered call options	The Scheme shall not invest in covered call options	Para 13.15.1 of SEBI Master Circular on

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)

		any other AMC shall not exceed 5% of the net asset value of the mutual fund	
13	**Tri-party repos**	Upto 20% of net assets	Not applicable

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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.

Portfolio Rebalancing
In the event of deviations the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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

			Mutual Funds dated March 20, 2026

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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.

Portfolio Rebalancing
In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.	Investment Committee, if so desires, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.
3. Any other changes	**A. WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which	**A. WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo with underlying government securities or Treasury bill, Reverse Repo, Treasury Bills and other Money Market Instruments as may

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	may or may not be guaranteed or supported by the Central Government or any state government. (d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate/entity as may be permitted by SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo, Reverse Repo, Treasury Bills, Tri-party Repo and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (g) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time (h) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (i) Repo of corporate debt securities (j) Debt Instruments with Credit Enhancement / structured obligations (k) Other schemes managed by the AMC or in the schemes of any other mutual funds (l) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (m) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time.	be permitted by SEBI / RBI from time to time. (d) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time (e) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (f) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (g) Other schemes managed by the AMC or in the schemes of any other mutual funds (h) Gold and silver instruments as may be permitted by SEBI from time to time (i) Any other money market and liquid instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (b) Initial and follow on public offerings for listing at recognised stock exchanges overseas (c) ADRs / GDRs issued by Indian or overseas companies (d) Overseas Money market instruments rated not below investment grade (e) Overseas government securities where the countries are rated not below investment grade (f) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (g) Short term deposits with banks overseas where the issuer is rated not below investment grade (h) Overseas Exchange Traded Funds (ETFs) (i) units/securities issued by overseas mutual funds or unit trusts registered with

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: • Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas • Initial and follow on public offerings for listing at recognised stock exchanges overseas • ADRs / GDRs issued by Indian or foreign companies • Foreign debt securities (convertible or non-convertible), except foreign securitized debt in the countries with fully convertible currencies • Overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies • Overseas Money market instruments rated not below investment grade • Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) • Foreign government securities where the countries are rated not below investment grade • Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) • Short term deposits with banks overseas where the issuer is rated not below investment grade • Overseas Exchange Traded Funds (ETFs) • units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). • Any other permitted overseas securities / instruments that may be available from time to time.	overseas regulators and investing in permitted Overseas Securities. (j) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.	
4. Where will the scheme invest	**I. Information about the Scheme:** **A. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares , equity derivatives and units of Real Estate Investment Trust. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to:	I. **Information about the Scheme:** **A. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares/, equity derivatives and units of Real Estate Investment Trust. • **Units of domestic mutual funds of Overnight, Liquid and Money Market Mutual Funds** • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS)

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	7. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 8. Debt securities that have been guaranteed by Government of India and State Governments, 9. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 10. Debt securities issued by Public/Private sector banks and development financial institutions, 11. Securitized Debt, Structured Obligations, Credit enhanced Debt, 12. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.	4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. • **Other liquid instruments** **Other liquid instruments shall include cash, bank deposits with Scheduled Commercial Banks, Government Securities, Treasury bills, Repo on Government securities and any other instruments as may be specified by SEBI from time to time** **Commodities** **1. Gold ETF** **2. Silver ETF**

3. Name of the Scheme/s : Franklin India Large & Mid Cap Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
1. Asset Allocation Pattern*	Under normal market circumstances, the investment range would be as follows: **Instruments** | **Indicative Allocations**	Under normal market circumstances, the investment range would be as follows: **Instruments** | **Indicative Allocations (% of Net assets)#**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
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<table>
<tr><th></th><th colspan="2">(% of Net assets)#</th></tr>
<tr><th></th><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equity and Equity linked instruments of large cap companies</td><td>35</td><td>65</td></tr>
<tr><td>Equity and Equity linked instruments of Mid cap companies</td><td>35</td><td>65</td></tr>
<tr><td>Equity and Equity linked instruments of other companies</td><td>0</td><td>30</td></tr>
<tr><td>Debt & Money Market Instruments</td><td>0</td><td>30</td></tr>
</table>
#including investments in Foreign Securities as may be permitted by SEBI/RBI upto 35% of net assets

The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), and repo transactions in corporate debt securities, Real Estate Investment Trusts , other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
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<tr><td>Equity and Equity linked instruments of other companies</td><td>0</td><td>30</td></tr>
<tr><td>Money market instruments, other liquid instruments, Units issued by Infrastructure Investment Trusts (InvITs), Units of Debt mutual fund schemes* and gold and silver ETFs only.</td><td>0</td><td>30</td></tr>
</table>
#including investments in Overseas Securities as may be permitted by SEBI/RBI upto 35% of net assets
* The scheme will only invest in in Overnight funds, Liquid funds and Money Market Mutual Funds for liquidity purposes
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities

The cumulative gross exposure through equity, debt, derivative positions and Real Estate Investment Trusts, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
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Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	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	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	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 counterparty can be identified.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			in case of OTC (over the counter) trades where counterparty can be identified.		2.	Derivatives for hedging and rebalancing purposes	upto a maximum of 50% of net assets	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	2	Securitized Debt	Upto 30% of the net assets	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024	3.	**Securitized Debt**	**The scheme will not invest in Securitized debt**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	3	Derivatives for hedging and rebalancing purposes	upto a maximum of 50% of net assets	Para 12.25 of SEBI Master Circular dated June 27, 2024.				
	4	Credit default Swaps	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024	4.	**Repo/ reverse repo transactions in corporate debt securities**	**The scheme will not invest in Repo/ reverse repo transactions in corporate debt securities**	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	5	Covered call options	The Scheme shall not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	6	Repos/reverse repo in corporate debt securities	The scheme shall not invest in Repos/reverse repo in corporate debt securities.	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024	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**	**The scheme will not invest in debt instruments with special features**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	7	Overseas Securities	upto 35% of net assets	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	8	ReITS and InVITS	The scheme does not intend to invest in units issued by	Para 12.21 of SEBI Master Circular on Mutual Funds dated				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			REITs* and InvITs. *Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.	June 27, 2024 In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025		**bonds and Tier 2 bonds issued under Basel III framework)**		
	9	Securities borrowing & Short selling	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	6.	**Debt instruments with Credit enhancement/structured obligations**	**The scheme will not invest in Debt instruments with Credit enhancement/structured obligations**	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.		8.	Overseas Securities	upto 35% of net assets of the scheme	**Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	10	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)	The scheme may invest in certain 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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024	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 issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					11	**Units of InVITs**	**A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time.**	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer		12	**Units of debt mutual Fund schemes for liquidity purposes**	**The Scheme may invest in debt mutual fund scheme like Overnight fund, Liquid Fund and Money market funds for liquidity purposes without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund**	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
	11	Debt instruments with Credit enhancement/ structured obligations	Investment of the scheme in the following instruments shall not exceed 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 scheme	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024	13	**Gold & Silver ETFs**	**The scheme may invest in Gold & Silver ETFs in line with SEBI regulations**	**Para 13.16 of SEBI Master circular for mutual funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
	12	Units of mutual Fund schemes	The Scheme may invest in any other scheme with similar investment objectives without charging any	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996	13	Tri-party repos	Upto 30% of net assets of the scheme	Not applicable
					14	Covered call options	The Scheme shall not invest in covered call	Para 13.15.1 of SEBI Master

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund				options	Circular on Mutual Funds dated March 20, 2026
	13	Tri-party repos	Upto 30% of net assets	Not applicable				

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), keeping in view market conditions, market opportunities, applicable regulations

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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.

Portfolio Rebalancing

In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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)

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	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. **Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.	business days from the date of completion of mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
2. Any other changes	**A. WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government. (d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate/entity as may be permitted by SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo, Reverse Repo, Treasury Bills, Tri-party Repo and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (g) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are	**A.WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo with underlying government securities or Treasury bill, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (d) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time (e) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (f) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (g) Other schemes managed by the AMC or in the schemes of any other mutual funds (h) Gold and silver instruments as may be permitted by SEBI from time to time (i) Any other money market and liquid instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	permitted by SEBI from time to time (h) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (i) Repo of corporate debt securities (j) Debt Instruments with Credit Enhancement / structured obligations (k) Other schemes managed by the AMC or in the schemes of any other mutual funds (l) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (m) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: • Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas • Initial and follow on public offerings for listing at recognised stock exchanges overseas • ADRs / GDRs issued by Indian or foreign companies • Foreign debt securities (convertible or non-convertible), except foreign securitized debt in the countries with fully convertible currencies • Overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies • Overseas Money market instruments rated not below investment grade • Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) • Foreign government securities where the countries are rated not below investment grade	(b) Initial and follow on public offerings for listing at recognised stock exchanges overseas (c) ADRs / GDRs issued by Indian or overseas companies (d) Overseas Money market instruments rated not below investment grade (e) Overseas government securities where the countries are rated not below investment grade (f) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (g) Short term deposits with banks overseas where the issuer is rated not below investment grade (h) Overseas Exchange Traded Funds (ETFs) (i) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Overseas Securities,. (j) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	• Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) • Short term deposits with banks overseas where the issuer is rated not below investment grade • Overseas Exchange Traded Funds (ETFs) • units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). • Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.	
3. Where will the scheme invest	**I. Information about the Scheme:** **A. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below:	**I. Information about the Scheme:** A. **Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below:

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	• **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares , equity derivatives and units of Real Estate Investment Trust. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS)	• **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and units of Real Estate Investment Trust. • **Units of domestic mutual funds of Overnight, Liquid and Money Market Mutual Funds** • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. • **Other liquid instruments** **Other liquid instruments shall include cash, bank deposits with Scheduled Commercial Banks, Government Securities, Treasury bills, Repo on Government securities and any other instruments as may be specified by SEBI from time to time** **Commodities** **1. Gold ETF** **2. Silver ETF**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.	

4. Name of the Scheme/s : Franklin India Mid Cap Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Type of scheme*</td><td>Mid-cap Fund- An open-ended equity scheme predominantly investing in mid cap stocks</td><td>An open ended equity scheme predominantly investing in mid cap stocks</td></tr>
<tr><td>2. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:

<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr><tr><th>Minimum</th><th>Maximum</th></tr><tr><td>Equities and Equity related Instruments of Midcap Companies</td><td>65</td><td>100</td></tr><tr><td>Equities and Equity related Instruments of other than Midcap Companies</td><td>0</td><td>35</td></tr><tr><td>Debt and Money Market Instruments</td><td>0</td><td>35</td></tr></table>
The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.</td><td>Under normal market circumstances, the investment range would be as follows:

<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr><tr><th>Minimum</th><th>Maximum</th></tr><tr><td>Equities and Equity related Instruments of Midcap Companies</td><td>65</td><td>100</td></tr><tr><td>Equities and Equity related Instruments of other than Midcap Companies</td><td>0</td><td>35</td></tr><tr><td>Money market instruments, other liquid instruments, Units issued by Infrastructure Investment Trusts (InvITs), Units of Debt mutual fund schemes# and gold and silver ETFs</td><td>0</td><td>35</td></tr></table>
The scheme will only invest in Overnight funds, Liquid funds and Money Market Mutual Funds for liquidity purposes.

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

The cumulative gross exposure through equity, debt, derivative positions and Real Estate Investment Trusts, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
<tr><td>1.</td><td>Securities Lending</td><td>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</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
</table></td><td>SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
<tr><td>1.</td><td>Securities Lending</td><td>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 counterparty can be identified.</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table></td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			trades on Stock Exchange platform. Single party exposure limits can only apply in case of OTC (over the counter) trades where counterparty can be identified.					
	2.	**Securitized Debt**	upto 35%	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	3.	**Derivatives for hedging and rebalancing purposes**	The scheme may take exposure in derivatives up to a maximum of 50% of its AUM. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time. Trading in derivatives by the scheme shall be restricted to hedging and portfolio balancing purposes.	Para 12.25 of SEBI Master Circular dated June 27, 2024.				
					2.	**Derivatives for hedging and rebalancing purposes**	The scheme may take exposure in derivatives up to a maximum of 50% of its AUM. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time. Trading in derivatives by the scheme shall be restricted to hedging and portfolio balancing purposes.	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					3.	**Securitized Debt**	**The scheme will not invest in Securitized debt**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					4.	**Repo/ reverse repo transactions in corporate debt securities**	**The scheme will not invest in Repo/ reverse repo transactions in corporate debt securities**	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	4	**Credit default Swaps**	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024	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)**	**The scheme will not invest in debt instruments with special features**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	5.	**Covered call options**	The Scheme shall not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024	6.	**Debt instruments with Credit enhancement/structured obligations**	**The scheme will not invest in Debt instruments with Credit enhancement/structured obligations**	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	6.	**Repos/reverse repo in corporate debt securities**	The scheme shall not invest in Repos/reverse repo in corporate debt securities.	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024	7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	7.	**Overseas Securities**	upto 35% of net assets	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	8.	**ReITS and InVITS**	The scheme does not intend to invest in units issued by REITs* and InvITs. *Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024 In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025,				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.	notified on October 31, 2025			guidelines.	
	9.	**Securities borrowing & Short selling**	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024		8.	Overseas Securities	upto 35% of net assets of the scheme	**Para 13.11 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 issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					11	**Units of InVITs**	**A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net**	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			guidelines.				**assets or upto the limits permitted by SEBI from time to time.**	**FAQ issued by AMFI dated May 4, 2026**
	10.	**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)**	"The scheme may invest in certain 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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024	12	**Units of debt mutual Fund schemes for liquidity purposes**	**The Scheme may invest in debt mutual fund scheme like Overnight fund, Liquid Fund and Money market funds for liquidity purposes without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund**	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
					13	**Gold & Silver ETFs**	**The scheme may invest in Gold & Silver ETFs in line with SEBI regulations**	**Para 13.16 of SEBI Master circular for mutual funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer"					
	11.	**Debt instruments with Credit enhancement/ structured obligations**	Investment of the scheme in the following instruments shall not exceed 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 scheme	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	12.	**Units of mutual Fund schemes**	The Scheme may invest in any other scheme with similar investment objectives without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996				
					13	Tri-party repos	Upto 35% of net assets of the scheme	Not applicable
					14	Covered call options	The Scheme shall not invest in covered call options	Para 13.15.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026
					The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time. 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. **Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. In the event of deviation from mandated asset			

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>
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<tr><td></td><td></td><td>(India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund</td><td></td></tr>
<tr><td>13.</td><td>Tri-party repos</td><td>Upto 35% of net assets</td><td>Not applicable</td></tr>
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The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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.

Portfolio Rebalancing
In the event of deviations the portfolio will be rebalanced as per Para 2.9</td><td>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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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.

NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.</td></tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.	
3. Any other changes	**A. WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central	**A. WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government. (d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate/entity as may be permitted by SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo, Reverse Repo, Treasury Bills, Tri-party Repo and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (g) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time (h) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (i) Repo of corporate debt securities (j) Debt Instruments with Credit Enhancement / structured obligations (k) Other schemes managed by the AMC or in the schemes of any other mutual funds (l) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)	guaranteed or supported by the Central Government or any state government (c) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo with underlying government securities or Treasury bill, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (d) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time**.** (e) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (f) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (g) Other schemes managed by the AMC or in the schemes of any other mutual funds (h) Gold and silver instruments as may be permitted by SEBI from time to time (i) Any other money market and liquid instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following: • Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas • Initial and follow on public offerings for listing at recognised stock exchanges overseas • ADRs / GDRs issued by Indian or overseas companies • Overseas Money market instruments rated not below investment grade • Overseas government securities where the countries are rated not below investment grade • Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) • Short term deposits with banks overseas where the issuer is rated not below

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(m) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: • Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas • Initial and follow on public offerings for listing at recognised stock exchanges overseas • ADRs / GDRs issued by Indian or foreign companies • Foreign debt securities (convertible or non-convertible), except foreign securitized debt in the countries with fully convertible currencies • Overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies • Overseas Money market instruments rated not below investment grade • Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) • Foreign government securities where the countries are rated not below investment grade • Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) • Short term deposits with banks overseas where the issuer is rated not below investment grade • Overseas Exchange Traded Funds (ETFs) • units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed	investment grade • Overseas Exchange Traded Funds (ETFs) • units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Overseas Securities. • Any other permitted overseas securities / instruments that may be available from time to time. Investment in Overseas Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). • Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.	
4. Where will the scheme invest?	**I. Information about the Scheme:** **A. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares , equity derivatives and units of Real Estate Investment Trust. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds,	I. **Information about the Scheme:** A. **Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares , equity derivatives and units of Real Estate Investment Trust. • **Units of domestic mutual funds of Overnight, Liquid and Money Market Mutual Funds**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.	• **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. • **Other liquid instruments** **Other liquid instruments shall include cash, bank deposits with Scheduled Commercial Banks, Government Securities, Treasury bills, Repo on Government securities and any other instruments as may be specified by SEBI from time to time** **Commodities** **1. Gold ETF** **2. Silver ETF**

5. Name of the Scheme/s : Franklin India Small Cap Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
1. Type	Small-cap Fund- An open-ended equity scheme predominantly investing in	**An open ended equity scheme predominantly investing in small cap stocks**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>of scheme*</td><td>small cap stocks</td><td></td></tr>
<tr><td>2. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:

<table><tr><th>Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr><tr><th></th><th>Minimum</th><th>Maximum</th></tr><tr><td>Equities and Equity Linked instruments of Smaller Companies</td><td>65</td><td>100</td></tr><tr><td>Equities and Equity Linked instruments of other Companies</td><td>0</td><td>35</td></tr><tr><td>Debt/Money Market Instruments/Cash</td><td>0</td><td>35</td></tr></table>
The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

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

<table><tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr><tr><td>1</td><td>Securities Lending</td><td>A maximum of 40% of net assets may be deployed in securities lending and the</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr></table></td><td>Under normal market circumstances, the investment range would be as follows:

<table><tr><th>Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr><tr><th></th><th>Minimum</th><th>Maximum</th></tr><tr><td>Equities and Equity Linked instruments of Small Cap Companies</td><td>65</td><td>100</td></tr><tr><td>Equities and Equity Linked instruments of other Companies</td><td>0</td><td>35</td></tr><tr><td>Money market instruments, other liquid instruments, Units issued by Infrastructure Investment Trusts (InvITs), Units of Debt mutual fund schemes# and gold and silver ETFs</td><td>0</td><td>35</td></tr></table>
The scheme will only invest in Overnight funds, Liquid funds and Money Market Mutual Funds for liquidity purposes.

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities
The cumulative gross exposure through equity, debt, derivative positions, Real Estate Investment Trusts, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):</td></tr>
</table>

<table>
<tr><th>Particulars</th><th colspan="4">Existing Scheme Features</th><th colspan="4">Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td></td><td></td><td>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 counterparty can be identified.</td><td></td><td>Sl. No</td><td>Type of Instrument</td><td>Percentage of Exposure (% of total assets)</td><td>Circular References</td></tr>
<tr><td></td><td>2</td><td>Securitized Debt</td><td>Upto 35% of the net assets</td><td>Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td><td>1.</td><td>Securities Lending</td><td>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 counterparty can be</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
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Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	3	**Derivatives for hedging and rebalancing purposes**	Up to a maximum of 50% of its AUM	Para 12.25 of SEBI Master Circular dated June 27, 2024.			identified.	
	4	**Credit default Swaps**	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	5	**Covered call options**	The Scheme shall not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	6	**Repos/reverse repo in corporate debt securities**	The scheme shall not invest in Repos/reverse repo in corporate debt securities.	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024	2.	**Derivatives for hedging and rebalancing purposes**	Up to a maximum of 50% of its AUM	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	7	**Overseas Securities**	upto 35% of net assets	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	8	**ReITS and InVITS**	The scheme does not intend to invest in units issued by REITS* and InvITs. *Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024 In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025	3.	**Securitized Debt**	**The scheme will not invest in Securitized debt**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.		4.	**Repo/ reverse repo transactions in corporate debt securities**	**The scheme will not invest in Repo/ reverse repo transactions in corporate debt securities**	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	9	**Securities borrowing & Short selling**	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024		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)**	**The scheme will not invest in debt instruments with special features**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	10	**Debt instruments with special features viz. subordination**	The scheme may invest in certain debt instruments with special features viz. subordination to equity (absorbs losses before	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024	6.	**Debt instruments with Credit enhancement/structured obligations**	**The scheme will not invest in Debt instruments with Credit enhancement/structured obligations**	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		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)	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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer		7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					8.	Overseas Securities	upto 35% of net assets of the scheme	**Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	11	**Debt instruments with Credit enhancement/ structured obligations**	Investment of the scheme in the following instruments shall not exceed 10% of the debt portfolio of the scheme and the Group exposure	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024	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**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			in such instruments shall not exceed 5% of the debt portfolio of the scheme:		10	Units issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	12	**Units of mutual Fund schemes**	The Scheme may invest in any other scheme with similar investment objectives without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996	11	**Units of InVITs**	**A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time.**	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026**
	13	**Tri-party repos**	upto 35% of net assets	Not applicable	12	**Units of debt mutual Fund schemes for liquidity purposes**	**The Scheme may invest in debt mutual fund scheme like Overnight fund, Liquid Fund and Money market funds for liquidity purposes without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton**	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and**
	The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time. 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							

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<tr><th>Particulars</th><th>Existing Scheme Features</th><th colspan="4">Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>alter from time to time on a short-term basis on defensive considerations (As per Para 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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.

Portfolio Rebalancing
In the event of deviations, the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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.</td><td colspan="4">
<table>
<tr><td></td><td></td><td>Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund</td><td>FAQs issued by AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Gold & Silver ETFs</td><td>The scheme may invest in Gold & Silver ETFs in line with SEBI regulations</td><td>Para 13.16 of SEBI Master circular for mutual funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 35% of net assets of the scheme</td><td>Not applicable</td></tr>
<tr><td>14</td><td>Covered call options</td><td>The Scheme shall not invest in covered call options</td><td>Para 13.15.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
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The fund managers will follow an active investment strategy taking</td></tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		defensive/aggressive postures depending on opportunities available at various points in time. 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. **Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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.
3. Any other changes	**A. WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government. (d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate/entity as may be permitted by SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo, Reverse Repo, Treasury Bills, Tri-party Repo and other Money Market Instruments as may be permitted by SEBI / RBI	**A. WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo with underlying government securities or Treasury bill, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (d) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time (e) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (f) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (g) Other schemes managed by the AMC or in the schemes of any other mutual funds (h) Gold and silver instruments as may be permitted by SEBI from time to time

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	from time to time. (g) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time (h) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (i) Repo of corporate debt securities (j) Debt Instruments with Credit Enhancement / structured obligations (k) Other schemes managed by the AMC or in the schemes of any other mutual funds (l) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (m) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: • Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas • Initial and follow on public offerings for listing at recognised stock exchanges overseas • ADRs / GDRs issued by Indian or foreign companies • Foreign debt securities (convertible or non-convertible), except foreign securitized debt in the countries with fully convertible currencies • Overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies • Overseas Money market instruments rated not below investment grade • Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) • Foreign government securities where the countries are rated not below	(i) Any other money market and liquid instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (b) Initial and follow on public offerings for listing at recognised stock exchanges overseas (c) ADRs / GDRs issued by Indian or overseas companies (d) Overseas Money market instruments rated not below investment grade (e) Overseas government securities where the countries are rated not below investment grade (f) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (g) Short term deposits with banks overseas where the issuer is rated not below investment grade (h) Overseas Exchange Traded Funds (ETFs) (i) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Overseas Securities. (j) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	investment grade • Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) • Short term deposits with banks overseas where the issuer is rated not below investment grade • Overseas Exchange Traded Funds (ETFs) • units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). • Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.	obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.
4. Where will the scheme invest	**I. Information about the Scheme:** **A. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below:	**I. Information about the Scheme:** **A. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	• **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares , equity derivatives and units of Real Estate Investment Trust. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement	below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares , equity derivatives and units of Real Estate Investment Trust. • **Units of domestic mutual funds of Overnight, Liquid and Money Market Mutual Funds** • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. • **Other liquid instruments** **Other liquid instruments shall include cash, bank deposits with Scheduled Commercial Banks, Government Securities, Treasury bills, Repo on Government securities and any other instruments as may be specified by SEBI from time to time** **Commodities** **1. Gold ETF** **2. Silver ETF**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.	

6. Name of the Scheme/s : Franklin India Flexi Cap Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Type of scheme*</td><td>Flexi-cap Fund- An open-ended dynamic equity scheme investing across large, mid and small cap stocks</td><td>An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks</td></tr>
<tr><td>2. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr><tr><th>Maximum</th><th>Minimum</th></tr><tr><td>Equity and Equity related instruments</td><td>100</td><td>65</td></tr><tr><td>Treasury bills, Government securities, call or notice money, repos / reverse repos, TREPs, CROMS with G Secs as underlying.</td><td>35</td><td>0</td></tr></table>
The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):</td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr><tr><th>Maximum</th><th>Minimum</th></tr><tr><td>Equity and Equity related instruments</td><td>100</td><td>65</td></tr><tr><td>Money market instruments, other liquid instruments, Units issued by Infrastructure Investment Trusts (InvITs), Units of Debt mutual fund schemes# and gold and silver ETFs</td><td>35</td><td>0</td></tr></table>
The scheme will only invest in Overnight funds, Liquid funds and Money Market Mutual Funds for liquidity purposes.
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

The cumulative gross exposure through equity, debt, derivative positions and Real Estate Investment Trusts, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table><tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr></table></td></tr>
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<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
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<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>A maximum of 20% of net assets will be deployed in securities lending.</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td>2</td><td>Securitized Debt</td><td>The scheme will not invest in Securitized debt</td><td>Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td>3</td><td>Derivatives for hedging and rebalancing purposes</td><td>The scheme may take exposure in derivatives up to a maximum of 50% of AUM invested in equity and equity related securities.</td><td>Para 12.25 of SEBI Master Circular dated June 27, 2024.</td></tr>
<tr><td>4</td><td>Credit default Swaps</td><td>As per applicable regulations</td><td>Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td>5</td><td>Covered call options</td><td>The Scheme shall not invest in covered call options</td><td>Para 12.25.8 of SEBI Master Circular on Mutual Funds</td></tr>
</table>
</td><td>
<table>
<tr><td>1.</td><td>Securities Lending</td><td>A maximum of 20% of net assets will be deployed in securities lending.
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 counterparty can be identified.</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
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<table>
<tr><th>Particulars</th><th colspan="4">Existing Scheme Features</th><th colspan="4">Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td colspan="4"><table>
<tr><td></td><td></td><td></td><td>dated June 27, 2024</td></tr>
<tr><td>6</td><td>Repos/reverse repo in corporate debt securities</td><td>The scheme shall not invest in Repos/reverse repo in corporate debt securities.</td><td>Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td>7</td><td>Overseas Securities</td><td>upto 35% of net assets</td><td>Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td>8</td><td>ReITS and InVITS</td><td>The scheme does not intend to invest in units issued by REITs* and InvITs

*Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual</td><td>Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024

In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025</td></tr>
</table></td><td colspan="4"><table>
<tr><td>2.</td><td>Derivatives for hedging and rebalancing purposes</td><td>The scheme may take exposure in derivatives up to a maximum of 50% of AUM invested in equity and equity related securities.</td><td>Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>3.</td><td>Securitized Debt</td><td>The scheme will not invest in Securitized debt</td><td>Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>4.</td><td>Repo/ reverse repo transactions in corporate debt securities</td><td>The scheme will not invest in Repo/ reverse repo transactions in corporate debt securities</td><td>Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table></td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.		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)**	**The scheme will not invest in debt instruments with special features**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	9	Securities borrowing & Short selling	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	6.	**Debt instruments with Credit enhancement/structured obligations**	**The scheme will not invest in Debt instruments with Credit enhancement/structured obligations**	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			out the reviews required under said guidelines.				the reviews required under said guidelines.	
	10	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)	The scheme will not invest in such securities.	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	11	Debt instruments with Credit enhancement/ structured obligations	The scheme will not invest in such securities.	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
					8.	Overseas Securities	upto 35% of net assets of the scheme	**Para 13.11 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 issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

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<tr><td></td><td>
<table>
<tr><td>12</td><td>Units of mutual Fund schemes</td><td>The Scheme may invest in any other scheme with similar investment objectives without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund</td><td>Schedule 7 of SEBI (Mutual Funds) Regulations, 1996</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>upto 35% of net assets</td><td>Not applicable</td></tr>
</table>

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.</td><td>
<table>
<tr><td>11</td><td>Units of InVITs</td><td>A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time.</td><td>Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026</td></tr>
<tr><td>12</td><td>Units of debt mutual Fund schemes for liquidity purposes</td><td>The Scheme may invest in debt mutual fund scheme like Overnight fund, Liquid Fund and Money market funds for liquidity purposes without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund</td><td>Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
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<tr><td></td><td>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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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.

Portfolio Rebalancing
In the event of deviations, the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall</td><td>
<table>
<tr><td>13</td><td>Gold & Silver ETFs</td><td>The scheme may invest in Gold & Silver ETFs in line with SEBI regulations</td><td>Para 13.16 of SEBI Master circular for mutual funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 35% of net assets of the scheme</td><td>Not applicable</td></tr>
<tr><td>14</td><td>Covered call options</td><td>The Scheme shall not invest in covered call options</td><td>Para 13.15.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>
The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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</td></tr>
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Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024, 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. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio	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. **Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio
3. Any other changes	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Treasury bills, Government securities, call or notice money, repos / reverse repos, TREPs, CROMS with Government securities as underlying. (d) Domestic derivatives (e) Short term deposits of scheduled commercial banks, pending deployment of funds in securities in terms of investment objectives of the Scheme and for the purpose of margin placement, as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (b) Initial and follow on public offerings for listing at recognised stock exchanges overseas (c) ADRs / GDRs issued by Indian or foreign companies (d) Overseas Exchange Traded Funds (ETFs) (e) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed or unlisted in recognized stock exchanges overseas (not exceeding 10% of their net assets). (f) Investment in Foreign equity listed Securities shall be made in	respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations **(b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government.** **(c) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo with underlying government securities or Treasury bill, Reverse Repo Treasury Bills, Tri-party Repo and other Money Market Instruments as may be permitted by SEBI / RBI from time to time.** (d) Domestic derivatives (e) Short term deposits of scheduled commercial banks, pending deployment of funds in securities in terms of investment objectives of the Scheme and for the purpose of margin placement, as may be permitted by SEBI from time to time. (f) Other schemes managed by the AMC or in the schemes of any other mutual funds (g) Units of Real Estate Investment Trusts and Infrastructure Investment Trusts (h) **Any other money market and liquid instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time**. (i) Gold and silver instruments as may be permitted by SEBI from time to time Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (b) Initial and follow on public offerings for listing at recognised stock exchanges overseas (c) ADRs / GDRs issued by Indian or overseas companies (d) Overseas Exchange Traded Funds (ETFs) (e) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Overseas Securities, Real Estate Investment Trusts (REITs) listed or unlisted in recognized stock exchanges

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	accordance with the guidelines issued by SEBI and RBI from time to time. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.	overseas (not exceeding 10% of their net assets). (f) Investment in Overseas equity listed Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.
4.	**I. Information about the Scheme:** **A. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares , equity derivatives and units of Real Estate Investment Trust. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount	**I. Information about the Scheme:** **Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: **1. Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and units of Real Estate Investment Trust. **2. Units of domestic mutual funds of Overnight, Liquid and Money Market Mutual Funds** **3. Money Market Instruments include:**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.	1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. **4. Other liquid instruments** **Other liquid instruments shall include cash, bank deposits with Scheduled Commercial Banks, Government Securities, Treasury bills, Repo on Government securities and any other instruments as may be specified by SEBI from time to time** **Commodities** **1. Gold ETF** **2. Silver ETF**

7. Name of the Scheme/s : Franklin India Dividend Yield Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Asset Allocation Pattern*</td><td>
Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equity and Equity related instruments, out of which:</td><td>65</td><td>100</td></tr>
<tr><td>Indian Companies</td><td>50</td><td>100</td></tr>
<tr><td>Foreign Securities</td><td>0</td><td>50</td></tr>
<tr><td>Debt Securities, Money Market Instruments, units of Real Estate Investment Trusts (REIT)/ Infrastructure Investment Trust (InvIT) and Cash*</td><td>0</td><td>35</td></tr>
</table>
The cumulative gross exposure through equity, debt and derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.

*Indicative Table (Actual instrument/percentages may vary
</td><td>
Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equity and Equity related instruments, out of which:</td><td>80</td><td>100</td></tr>
<tr><td>Indian Companies</td><td>50</td><td>100</td></tr>
<tr><td>Overseas Securities</td><td>0</td><td>50</td></tr>
<tr><td>Money market instruments, other liquid instruments, Units issued by Infrastructure Investment Trusts (InvITs), Units of Debt mutual fund schemes# and gold and silver ETFs</td><td>0</td><td>20</td></tr>
</table>
The scheme will only invest in Overnight funds, Liquid funds and Money Market Mutual Funds for liquidity purposes.
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities

The cumulative gross exposure through equity, debt, derivative positions, and, Real Estate Investment Trusts, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th colspan="4">Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>subject to applicable SEBI circulars)
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references*</th></tr>
</table></td><td>1.</td><td>Securities Lending</td><td>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 counterparty can be identified.</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	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 counterparty can be identified.	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	2.	**Derivatives for hedging and rebalancing purposes**	upto a maximum of 50% of net assets	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	2	**Securitized Debt**	upto 35% of net assets	Para 12.15 of SEBI Master Circular on	3.	**Securitized Debt**	**The scheme will not invest in Securitized debt**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					4.	**Repo/ reverse repo transactions in corporate debt securities**	**The scheme will not invest in Repo/ reverse repo transactions in corporate debt securities**	**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)**	**The scheme will not invest in debt instruments with special features**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					6.	**Debt instruments with Credit enhancement/structured obligations**	**The scheme will not invest in Debt instruments with Credit**	**Para 13.1 of SEBI Master Circular on**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
2. Any other changes	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Treasury bills, Government securities, call or notice money, repos / reverse repos, TREPs, CROMS with Government securities as underlying. (d) Domestic derivatives (e) Short term deposits of scheduled commercial banks, pending deployment of funds in securities in terms of investment objectives of the Scheme and for the purpose of margin placement, as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (b) Initial and follow on public offerings for listing at recognised stock exchanges overseas (c) ADRs / GDRs issued by Indian or foreign companies (d) Overseas Exchange Traded Funds (ETFs) (e) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed or unlisted in recognized stock exchanges	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) **Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government.** (c) **Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo with underlying government securities or Treasury bill, Reverse Repo Treasury Bills, Tri-party Repo and other Money Market Instruments as may be permitted by SEBI / RBI from time to time.** (d) Domestic derivatives (e) Short term deposits of scheduled commercial banks, pending deployment of funds in securities in terms of investment objectives of the Scheme and for the purpose of margin placement, as may be permitted by SEBI from time to time. (f) Other schemes managed by the AMC or in the schemes of any other mutual funds (g) Units of Real Estate Investment Trusts and Infrastructure Investment Trusts (h) **Any other money market and liquid instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time.** (i) Gold and silver instruments as may be permitted by SEBI from time to time Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (b) Initial and follow on public offerings for listing at recognised stock exchanges overseas (c) ADRs / GDRs issued by Indian or overseas companies (d) Overseas Exchange Traded Funds (ETFs) (e) units/securities issued by overseas mutual funds or unit trusts registered with

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	overseas (not exceeding 10% of their net assets). (f) Investment in Foreign equity listed Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.	overseas regulators and investing in permitted Overseas Securities, Real Estate Investment Trusts (REITs) listed or unlisted in recognized stock exchanges overseas (not exceeding 10% of their net assets). (f) Investment in Overseas equity listed Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions
3.	**I. Information about the Scheme:** **A. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and units of Real Estate Investment Trust. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass	**I. Information about the Scheme:** **A. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and units of Real Estate Investment Trust. • **Units of domestic mutual funds of Overnight, Liquid and Money Market Mutual Funds** • **Money Market Instruments include:** 1. Commercial papers

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.	2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. • **Other liquid instruments** **Other liquid instruments shall include cash, bank deposits with Scheduled Commercial Banks, Government Securities, Treasury bills, Repo on Government securities and any other instruments as may be specified by SEBI from time to time.** **Commodities** **1. Gold ETF** **2. Silver ETF**

8. Name of the Scheme/s : Templeton India Value Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Type of scheme *</td><td>An open-ended equity scheme that follows value investment strategy.</td><td>An open ended equity scheme following a value investment strategy</td></tr>
<tr><td>2. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:

<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr><tr><th>Minimum</th><th>Maximum</th></tr><tr><td>Equity and Equity related instruments</td><td>65</td><td>100</td></tr><tr><td>Debt Securities, Money Market Instruments, Real Estate Investment Trusts (REIT)/ Infrastructure Investment Trust (InvIT) and Cash</td><td>0</td><td>35</td></tr></table>
The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), and repo transactions in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table><tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr></table></td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr><tr><th>Minimum</th><th>Maximum</th></tr><tr><td>Equity and Equity related instruments</td><td>80</td><td>100</td></tr><tr><td>Money market instruments, other liquid instruments, Units issued by Infrastructure Investment Trusts (InvITs), Units of Debt mutual fund schemes# and gold and silver ETFs</td><td>0</td><td>20</td></tr></table># The scheme will only invest in Overnight funds, Liquid funds and Money Market Mutual Funds for liquidity purposes.
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities

The cumulative gross exposure through equity, debt, derivative positions and Real Estate Investment Trusts, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):</td></tr>
</table>

<table>
<tr><th>Particulars</th><th colspan="4">Existing Scheme Features</th><th colspan="4">Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td colspan="4"><table>
<tr><td>1</td><td>Securities Lending</td><td>A maximum of 50% 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 counterparty can be identified.</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td>2</td><td>Securitized Debt</td><td>upto 35%</td><td>Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td>3</td><td>Derivatives for hedging and rebalancing purposes</td><td>upto a maximum of 50%</td><td>Para 12.25 of SEBI Master Circular dated June 27, 2024.</td></tr>
</table></td><td colspan="4"><table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
<tr><td>1.</td><td>Securities Lending</td><td>A maximum of 50% 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</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table></td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	4	**Credit default Swaps**	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024			counterparty can be identified	
	5	**Covered call options**	The Scheme shall not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024	2.	**Derivatives for hedging and rebalancing purposes**	upto a maximum of 50%	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	6	**Repos/reverse repo in corporate debt securities**	The scheme shall not invest in Repos/reverse repo in corporate debt securities.	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024	3.	**Securitized Debt**	**The scheme will not invest in Securitized debt**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	7	**Overseas Securities**	upto 50% of the net assets of the scheme	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024	4.	**Repo/ reverse repo transactions in corporate debt securities**	**The scheme will not invest in Repo/ reverse repo transactions in corporate debt securities**	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	8	**ReITS and InVITS**	A maximum of 10% of net assets may be deployed in InvITs and the maximum single issuer exposure may be restricted to 5% of net assets in the units of InvITs or upto the limits permitted by SEBI from time to time *Any potential future investment in	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024	5.	**Debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and/or convertible to equity**	**The scheme will not invest in debt instruments with special features**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.	In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025		**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)**		**March 20, 2026**
	9	**Securities borrowing & Short selling**	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	6.	**Debt instruments with Credit enhancement/structured obligations**	**The scheme will not invest in Debt instruments with Credit enhancement/structured obligations**	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	10	**Debt instruments with special features viz. subordination to equity (absorbs losses before**	The scheme may invest in certain 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	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024	7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		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)	framework) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer		8.	Overseas Securities	upto 50% of net assets of the scheme	**Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	11	**Debt instruments with Credit enhancement/ structured obligations**	Investment of the scheme in the following instruments shall not exceed 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 scheme	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024	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**
	12	**Units of mutual Fund schemes**	The Scheme may invest in any other scheme without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996	10	Units issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					11	Units of InVITs	A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time.	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026**

<table>
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<td></td>
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<table>
<tr><td></td><td></td><td>Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund</td><td></td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 35% of net assets</td><td>Not applicable</td></tr>
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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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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.

Portfolio Rebalancing
In the event of deviations the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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
</td>
<td>
<table>
<tr><td>12</td><td>Units of debt mutual Fund schemes for liquidity purposes</td><td>The Scheme may invest in debt mutual fund scheme like Overnight fund, Liquid Fund and Money market funds for liquidity purposes without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund</td><td>Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
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<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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.</td><td>
<table>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>14</td><td>Covered call options</td><td>The Scheme shall not invest in covered call options</td><td>Para 13.15.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
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The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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.

Portfolio Rebalancing
In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. In the event of deviation from mandated asset allocation mentioned in the Scheme</td></tr>
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Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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.
3. Any other changes	**A. WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to	**A. WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo with underlying government securities or Treasury bill, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (d) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (e) Deposits with domestic banks and other bodies corporate as may be

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPS, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (h) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (i) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (j) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (b) Initial and follow on public offerings for listing at recognised stock exchanges overseas (c) ADRs / GDRs issued by Indian or foreign companies (d) foreign debt securities (convertible or non-convertible) in the countries with fully convertible currencies (e) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (f) Overseas Money market instruments rated not below investment grade (g) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme)	permitted by SEBI from time to time (f) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (g) Other schemes managed by the AMC or in the schemes of any other mutual funds (h) Gold and silver instruments as may be permitted by SEBI from time to time (i) Any other money market and liquid instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following: • Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas • Initial and follow on public offerings for listing at recognised stock exchanges overseas • ADRs / GDRs issued by Indian or overseas companies • Overseas Money market instruments rated not below investment grade • Overseas government securities where the countries are rated not below investment grade • Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) • Short term deposits with banks overseas where the issuer is rated not below investment grade • Overseas Exchange Traded Funds (ETFs) • units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Overseas Securities. • Any other permitted overseas securities / instruments that may be available from time to time.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(h) Foreign government securities where the countries are rated not below investment grade (i) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (j) Short term deposits with banks overseas where the issuer is rated not below investment grade (k) Overseas Exchange Traded Funds (ETFs) (l) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). (m) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.	Investment in Overseas Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions
4.	**I. Information about the Scheme:** **B. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below:	**I. Information about the Scheme:** **B. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below:

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	• **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and units of Real Estate Investment Trust. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity	• **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and units of Real Estate Investment Trust. • **Units of domestic mutual funds of Overnight, Liquid and Money Market Mutual Funds** • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. • **Other liquid instruments** **Other liquid instruments shall include cash, bank deposits with Scheduled Commercial Banks, Government Securities, Treasury bills, Repo on Government securities and any other instruments as may be specified by SEBI from time to time.** **Commodities** **1. Gold ETF** **2. Silver ETF**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	requirements from time to time.	

9. Name of the Scheme/s : Franklin India Focused Equity Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Asset Allocation Pattern*</td><td>
Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of Net assets)</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equities and Equity Linked instruments</td><td>65</td><td>100</td></tr>
<tr><td>Debt securities and Money Market Instruments</td><td>0</td><td>35</td></tr>
</table>
The cumulative gross exposure through equity, debt, derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
<tr><td>1.</td><td>Securities Lending</td><td>A maximum of 40% of net assets may be deployed in securities lending and the</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27,</td></tr>
</table>
</td><td>
Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of Net assets)</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equities and Equity Linked instruments</td><td>80</td><td>100</td></tr>
<tr><td>Money market instruments, other liquid instruments, Units issued by Infrastructure Investment Trusts (InvITs), Units of Debt mutual fund schemes# and gold and silver ETFs</td><td>0</td><td>20</td></tr>
</table>
The scheme will only invest in Overnight funds, Liquid funds and Money Market Mutual Funds for liquidity purposes.
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities
The cumulative gross exposure through equity, debt, derivative positions and Real Estate Investment Trusts, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
</table>
</td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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	2024	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 counterparty can be identified	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			party exposure limits can only apply in case of OTC (over the counter) trades where counterparty can be identified."		2.	Derivatives for hedging and rebalancing purposes	upto a maximum of 50% of net assets	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	2.	Securitized Debt	up to 20% of net assets	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024	3.	**Securitized Debt**	**The scheme will not invest in Securitized debt**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	3.	Derivatives for hedging and rebalancing purposes	upto a maximum of 50% of net assets	Para 12.25 of SEBI Master Circular dated June 27, 2024.	4.	**Repo/ reverse repo transactions in corporate debt securities**	**The scheme will not invest in Repo/ reverse repo transactions in corporate debt securities**	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	4.	Credit default Swaps	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	5.	Covered call options	The Scheme shall not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	6.	Repos/reverse repo in corporate debt	The scheme shall not invest in Repos/reverse	Para 12.18 of SEBI Master Circular on				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		securities	repo in corporate debt securities.	Mutual Funds dated June 27, 2024	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)**	**The scheme will not invest in debt instruments with special features**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
		7. Overseas Securities	upto 35% of net assets	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024	6.	**Debt instruments with Credit enhancement/structured obligations**	**The scheme will not invest in Debt instruments with Credit enhancement/structured obligations**	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
		8. ReITS and InVITS	The scheme does not intend to invest in units issued by REITs* and InvITs. *Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024 In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025	7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			Regulations, circulars or guidelines issued by SEBI from time to time.				the reviews required under said guidelines.	
	9.	Securities borrowing & Short selling	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	8.	Overseas Securities	upto 35% of net assets of the scheme	**Para 13.11 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 issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					11	**Units of InVITs**	**A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time.**	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May**
	10.	Debt instruments	The scheme may invest in certain	Referred in Para 12.2 of SEBI				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		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)	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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual	Master Circular on Mutual Funds dated June 27, 2024				**4, 2026**
					12	**Units of debt mutual Fund schemes for liquidity purposes**	**The Scheme may invest in debt mutual fund scheme like Overnight fund, Liquid Fund and Money market funds for liquidity purposes without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund**	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
					13	**Gold & Silver ETFs**	**The scheme may invest in Gold & Silver ETFs in line with SEBI regulations**	**Para 13.16 of SEBI Master circular for mutual funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
					13	Tri-party repos	Upto 35% of net assets of	Not

<table>
<tr><th>Particulars</th><th colspan="4">Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td></td><td></td><td>Fund scheme shall not invest:
a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and
b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer"</td><td></td><td>
<table>
<tr><td></td><td></td><td>the scheme</td><td>applicable</td></tr>
<tr><td>14</td><td>Covered call options</td><td>The Scheme shall not invest in covered call options</td><td>Para 13.15.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
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The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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.

Portfolio Rebalancing
In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. In the event of deviation from mandated asset allocation mentioned in the Scheme Information Document (SID) due to passive</td></tr>
<tr><td></td><td>11.</td><td>Debt instruments with Credit enhancement/ structured obligations</td><td>Investment of the scheme in the following instruments shall not exceed 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 scheme</td><td>Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td><td></td></tr>
<tr><td></td><td>12.</td><td>Units of mutual Fund schemes</td><td>The Scheme may invest in any other scheme with similar</td><td>Schedule 7 of SEBI (Mutual Funds) Regulations,</td><td></td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>
<table>
<tr><td></td><td></td><td>investment objectives without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund</td><td>1996</td></tr>
<tr><td>13.</td><td>Tri-party repos</td><td>Upto 35% of net assets</td><td>Not applicable</td></tr>
</table>
The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.
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
</td><td>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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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.

NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.</td></tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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. **Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in	

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio	
2. Any other changes	**A. WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by	**A. WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo with underlying government securities or Treasury bill, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (d) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (e) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (f) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (g) Other schemes managed by the AMC or in the schemes of any other mutual funds (h) Gold and silver instruments as may be permitted by SEBI from time to time (i) Any other money market and liquid instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPS, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (h) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (i) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (j) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (b) Initial and follow on public offerings for listing at recognised stock exchanges overseas (c) ADRs / GDRs issued by Indian or foreign companies (d) foreign debt securities (convertible or non-convertible) in the countries with fully convertible currencies (e) overseas short term as well as long term debt instruments with rating not below investment grade by	Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (b) Initial and follow on public offerings for listing at recognised stock exchanges overseas (c) ADRs / GDRs issued by Indian or overseas companies (d) Overseas Money market instruments rated not below investment grade (e) Overseas government securities where the countries are rated not below investment grade (f) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (g) Short term deposits with banks overseas where the issuer is rated not below investment grade (h) Overseas Exchange Traded Funds (ETFs) (i) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Overseas Securities. (j) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	accredited/registered credit rating agencies (f) Overseas Money market instruments rated not below investment grade (g) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) (h) Foreign government securities where the countries are rated not below investment grade (i) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (j) Short term deposits with banks overseas where the issuer is rated not below investment grade (k) Overseas Exchange Traded Funds (ETFs) (l) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). (m) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations	

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	applicable to such transactions.	
3.	**I. Information about the Scheme:** **B. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares , equity derivatives and units of Real Estate Investment Trust. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced	**I. Information about the Scheme:** **B. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and units of Real Estate Investment Trust. • **Units of domestic mutual funds of Overnight, Liquid and Money Market Mutual Funds** • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. • **Other liquid instruments** **Other liquid instruments shall include cash, bank deposits with Scheduled Commercial Banks, Government Securities, Treasury bills, Repo on Government securities and any other instruments as may be specified by SEBI from time to time.**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.	**Commodities** **1. Gold ETF** **2. Silver ETF**

10. Name of the Scheme/s : Franklin India ELSS Tax Saver Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
1. Type of Scheme	An open-ended equity linked saving scheme with a statutory lock in of 3 years and tax benefit	**An open ended scheme with attributes in accordance with Equity Linked Saving Scheme, 2005 notified by Ministry of Finance**
2. Asset Allocation Pattern*	The investment polices shall be in accordance with SEBI (Mutual Funds) Regulations, 1996 and rules and guidelines for ELSS-1992 scheme (including any modification to them) and within the following guidelines: 1. The funds collected under a scheme shall be invested in equities, cumulative convertible preference shares and fully convertible debentures and bonds of companies. Investment may also be made in partly convertible issues of debentures and bonds including those issued on rights basis subject to the condition that, as far as possible, the non-convertible portion of the debentures so acquired or subscribed, shall be disinvested within a period of 12	The investment polices shall be in accordance with SEBI (Mutual Funds) Regulations, 1996 and rules and guidelines for ELSS-1992 scheme (including any modification to them) and within the following guidelines: 1. The funds collected under a scheme shall be invested in equities, cumulative convertible preference shares and fully convertible debentures and bonds of companies. Investment may also be made in partly convertible issues of debentures and bonds including those issued on rights basis subject to the condition that, as far as possible, the non-convertible portion of the debentures so acquired or subscribed, shall be disinvested within a period of 12 months. 2. It shall be ensured that funds of a scheme shall remain invested to the extent of at least 80 percent in securities specified in clause (1). The scheme shall strive to

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>months.
2. It shall be ensured that funds of a scheme shall remain invested to the extent of at least 80 percent in securities specified in clause (1). The scheme shall strive to invest their funds in the manner stated above within a period of 6 months from the date of closure. In exceptional circumstances, this requirement may be dispensed with by the scheme, in order that the interests of the investors are protected.
3. Pending investment of funds of a scheme in the required manner, the scheme may invest the funds in short-term money market instruments or other liquid instruments or both. After three years of the date of allotment of the units, the scheme may hold upto 20 percent of net assets of the plan in short-term money market instruments and other liquid instruments to enable them to redeem investment of those unitholders who would seek to tender the units for repurchase.

Steady State Asset Allocation

<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of Net assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Equity/Equity related instruments</td><td>100</td><td>0</td></tr>
<tr><td>PSU Bonds / Debentures</td><td>20</td><td>0</td></tr>
<tr><td>Money Market Instruments</td><td>20</td><td>0</td></tr>
</table>

The above percentages will be reckoned at the time of investment and the above allocation is based on a steady state situation.

The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), and repo transactions in corporate debt securities, Real Estate Investment Trusts (REITs), other permitted securities/assets and such other</td>
<td>invest their funds in the manner stated above within a period of 6 months from the date of closure. In exceptional circumstances, this requirement may be dispensed with by the scheme, in order that the interests of the investors are protected.
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Steady State Asset Allocation

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<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of Net assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Equity/Equity related instruments</td><td>100</td><td>80</td></tr>
<tr><td>Money market instruments, other liquid instruments and Units of Debt mutual fund schemes#</td><td>20</td><td>0</td></tr>
</table>

The scheme will only invest in Overnight funds, Liquid funds and Money Market Mutual Funds for liquidity purposes.
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities

The cumulative gross exposure through equity, debt, derivative positions, other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
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<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
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Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references*</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>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</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
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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 counterparty can be</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table></td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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 counterparty can be identified.				identified	
	2	Securitized Debt	The scheme shall not invest in securitized debt.	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024	2.	Derivatives for hedging and rebalancing purposes	The scheme may enter into derivatives in line with the guidelines prescribed by SEBI from time to time. The scheme may take exposure in derivatives up to a maximum of 50% of its AUM. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	3	Derivatives for hedging and rebalancing purposes	The scheme may enter into derivatives in line with the guidelines prescribed by SEBI from time to time. The scheme may take exposure in derivatives up to a maximum of 50% of its AUM. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time	Para 12.25 of SEBI Master Circular dated June 27, 2024.	3.	Securitized Debt	The scheme shall not invest in securitized debt.	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					4.	Repo/ reverse repo transactions in corporate debt securities	The scheme will not invest in Repo/ reverse repo transactions in corporate debt securities	**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)**	**The scheme will not invest in debt instruments with special features**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	4	Credit default Swaps	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024	6.	**Debt instruments with Credit enhancement/structured obligations**	**The scheme will not invest in Debt instruments with Credit enhancement/structured obligations**	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	5	Covered call options	The Scheme shall not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024	7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	6	Repos/reverse repo in corporate debt securities	The scheme shall not invest in Repos/reverse repo in corporate debt securities.	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	7	Overseas Securities	The scheme shall not invest in overseas securities.	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024	8.	Overseas Securities	The scheme shall not invest in overseas securities.	**Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	8	REITs and InVITS	The scheme does not intend to invest in units issued by REITs* and InvITs. *Any potential future investment in units of Real Estate Investment Trusts (REITs)	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024 In accordance with the SEBI (Mutual Funds) (Second Amendment)	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**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.	Regulations, 2025, notified on October 31, 2025	10	Units issued by REITs	The scheme does not intend to invest in units issued by REITs	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					11	Units issued by InVITs	The scheme does not intend to invest in units issued by InvITs	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026**
	9	Securities borrowing & Short selling	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	12	**Units of debt mutual Fund schemes for liquidity purposes**	**The Scheme may invest in debt mutual fund scheme like Overnight fund, Liquid Fund and Money market funds for liquidity purposes without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited**	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.				**or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund**	**AMFI dated May 4, 2026**
	10	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)	The scheme may invest in certain 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	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024		13	Tri-party repos	Upto 20% of net assets of the scheme	Not applicable
						14.	Covered call options	The Scheme shall not invest in covered call options	Para 13.5.1 of SEBI Master circular for mutual funds dated March 20, 2026
					The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time. 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		

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	Tier 2 bonds issued under Basel III framework) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer	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. **Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)
	11	Debt instruments with Credit enhancement/ structured obligations	Investment of the scheme in the following instruments shall not exceed 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 scheme	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024	
	12	Units of mutual Fund schemes	The Scheme may invest in any other scheme with similar investment objectives without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996	

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)

		(India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund	
13	Tri-party repos	Upto 20% of net assets	Not applicable

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time. On defensive considerations, the scheme may invest in money market instruments and Fixed Deposits of Scheduled Banks to protect the interest of the investors in the scheme.

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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	for other reasons, as this is a fundamental attribute, the procedure outlined in the paragraph on fundamental attributes below, shall be followed. **Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.	
3. Any	**WHERE WILL THE SCHEME INVEST?**	**WHERE WILL THE SCHEME INVEST?**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
other changes	Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPS, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time	Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo with underlying government securities or Treasury bill, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (d) Domestic derivatives (e) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (f) Other schemes managed by the AMC or in the schemes of any other mutual funds (g) Any other money market and liquid instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(h) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (i) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (j) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (b) Initial and follow on public offerings for listing at recognised stock exchanges overseas (c) ADRs / GDRs issued by Indian or foreign companies (d) foreign debt securities (convertible or non-convertible) in the countries with fully convertible currencies (e) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (f) Overseas Money market instruments rated not below investment grade (g) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) (h) Foreign government securities where the countries are rated not below investment grade (i) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities)	

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(j) Short term deposits with banks overseas where the issuer is rated not below investment grade (k) Overseas Exchange Traded Funds (ETFs) (l) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). (m) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.	
5.	**I. Information about the Scheme:** **B. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares , equity	**I. Information about the Scheme:** **B. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares and equity derivatives. • **Units of domestic mutual funds of Overnight, Liquid and Money Market**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	derivatives and units of Real Estate Investment Trust. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement	**Mutual Funds** • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. • **Other liquid instruments** **Other liquid instruments shall include cash, bank deposits with Scheduled Commercial Banks, Government Securities, Treasury bills, Repo on Government securities and any other instruments as may be specified by SEBI from time to time.**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.	

11. Name of the Scheme/s : Franklin India Technology Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Type of scheme</td><td>An open-ended equity scheme following Technology theme</td><td>An open ended equity scheme investing in Technology sector</td></tr>
<tr><td>2. Scheme category</td><td>Thematic Fund</td><td>Sectoral Fund</td></tr>
<tr><td>3. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><td>Instruments</td><td colspan="2">Indicative Allocations (% of total assets)</td></tr><tr><td></td><td>Minimum</td><td>Maximum</td></tr><tr><td>Equities/ Equity Linked instruments of Technology and Technology related Companies</td><td>80</td><td>100</td></tr><tr><td>Debt/Money Market Instruments</td><td>0</td><td>20</td></tr></table>
The cumulative gross exposure through equity, debt and derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):</td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><td>Instruments</td><td colspan="2">Indicative Allocations (% of total assets)</td></tr><tr><td></td><td>Minimum</td><td>Maximum</td></tr><tr><td>Equities/ Equity Linked instruments of Technology and Technology related Companies</td><td>80</td><td>100</td></tr><tr><td>Equity and equity related instruments of other companies, money market instruments, other liquid instruments, Units issued by Infrastructure Investment Trusts (InvITs), Units of Debt mutual fund schemes# and gold and silver ETFs .</td><td>0</td><td>20</td></tr></table>
The scheme will only invest in Overnight funds, Liquid funds and Money Market Mutual Funds for liquidity purposes.
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities
The cumulative gross exposure through equity, debt, derivative positions, and, Real Estate Investment Trusts, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>A maximum of 20% of net assets may be deployed in securities lending and the maximum single party exposure may be restricted to 5%# 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</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
</table>
</td><td>
Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
<tr><td>1.</td><td>Securities Lending</td><td>A maximum of 20% of net assets may be deployed in securities lending and the maximum single party exposure may be restricted to 5%# 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</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>
</td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			counterparty can be identified.				limits can only apply in case of OTC (over the counter) trades where counterparty can be identified.	
	2	Securitized Debt	up to 20%	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	3	Derivatives for hedging and rebalancing purposes	maximum of 50% of its AUM	Para 12.25 of SEBI Master Circular dated June 27, 2024.				
	4	Credit default Swaps	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	5	Covered call options	The Scheme shall not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024	2.	Derivatives for hedging and rebalancing purposes	maximum of 50% of its AUM	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	6	Repos/reverse repo in corporate debt securities	The scheme shall not invest in Repos/reverse repo in corporate debt securities.	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	7	Overseas Securities	upto 35% of net assets	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024	3.	**Securitized Debt**	**The scheme will not invest in Securitized debt**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	8	ReITS and InVITS	The scheme does not intend to invest in units issued by REITs* and InvITs. *Any potential future	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.	In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025				
	9	Securities borrowing & Short selling	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
					4.	**Repo/ reverse repo transactions in corporate debt securities**	**The scheme will not invest in Repo/ reverse repo transactions in corporate debt securities**	**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)**	**The scheme will not invest in debt instruments with special features**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					6.	**Debt instruments with Credit enhancement/structured obligations**	**The scheme will not invest in Debt instruments with Credit enhancement/structured obligations**	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			the reviews required under said guidelines.				securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	
	10	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)	The scheme may invest in certain 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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024		8.	Overseas Securities	upto 35% of net assets of the scheme	**Para 13.11 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 issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer		11	**Units of InVITs**	**A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time.**	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026**
	11	Debt instruments with Credit enhancement/ structured obligations	Investment of the scheme in the following instruments shall not exceed 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 scheme	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024	12	**Units of debt mutual Fund schemes for liquidity purposes**	**The Scheme may invest in debt mutual fund scheme like Overnight fund, Liquid Fund and Money market funds for liquidity purposes without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund**	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
	12	Units of mutual Fund schemes	The Scheme may invest in any other scheme with similar investment objectives without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996				

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
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<table>
<tr><td></td><td></td><td>exceed 5% of the net asset value of the mutual fund</td><td></td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 20% of net assets</td><td>Not applicable</td></tr>
</table>

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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.

Portfolio Rebalancing
In the event of deviations, the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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,</td>
<td>
<table>
<tr><td>13</td><td>Gold & Silver ETFs</td><td>The scheme may invest in Gold & Silver ETFs in line with SEBI regulations</td><td>Para 13.16 of SEBI Master circular for mutual funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 20% of net assets of the scheme</td><td>Not applicable</td></tr>
<tr><td>14</td><td>Covered call options</td><td>The Scheme shall not invest in covered call options</td><td>Para 13.15.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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,</td>
</tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	if so desires, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024, 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. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.	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. **Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
4. Any other changes	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPS, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (h) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo with underlying government securities or Treasury bill, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (d) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (e) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (f) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (g) Other schemes managed by the AMC or in the schemes of any other mutual funds (h) Gold and silver instruments as may be permitted by SEBI from time to time (i) Any other money market and liquid instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following: (j) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(i) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (j) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (b) Initial and follow on public offerings for listing at recognised stock exchanges overseas (c) ADRs / GDRs issued by Indian or foreign companies (d) foreign debt securities (convertible or non-convertible) in the countries with fully convertible currencies (e) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (f) Overseas Money market instruments rated not below investment grade (g) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) (h) Foreign government securities where the countries are rated not below investment grade (i) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (j) Short term deposits with banks overseas where the issuer is rated not below investment grade (k) Overseas Exchange Traded Funds (ETFs) (l) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net	(k) Initial and follow on public offerings for listing at recognised stock exchanges overseas (l) ADRs / GDRs issued by Indian or overseas companies (m) Overseas Money market instruments rated not below investment grade (n) Overseas government securities where the countries are rated not below investment grade (o) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (p) Short term deposits with banks overseas where the issuer is rated not below investment grade. (q) Overseas Exchange Traded Funds (ETF) (r) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Overseas Securities. (s) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Overseas Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	assets). (m) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions	
5.	**I. Information about the Scheme:** **A. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares , equity derivatives and units of Real Estate Investment Trust. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a	**I. Information about the Scheme:** **A. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and units of Real Estate Investment Trust. • **Units of domestic mutual funds of Overnight, Liquid and Money Market Mutual Funds** • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS)

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.	4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. • **Other liquid instruments** **Other liquid instruments shall include cash, bank deposits with Scheduled Commercial Banks, Government Securities, Treasury bills, Repo on Government securities and any other instruments as may be specified by SEBI from time to time.** **Commodities** **1. Gold ETF** **2. Silver ETF**

12. Name of the Scheme/s : Franklin Build India Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
1. Type of scheme	An open-ended equity scheme following Infrastructure theme	An open ended equity scheme **investing in** Infrastructure theme
2. Category of Scheme	Thematic/Sectoral	Thematic
3. Asset Allocatio	Under normal market circumstances, the investment range would be as follows:	Under normal market circumstances, the investment range would be as follows: Instruments | **Indicative Allocations**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td>n
Pattern*</td>
<td>
<table>
<tr><th>Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr>
<tr><th></th><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Equities and Equity Linked instruments of Smaller Companies

1. Infrastructure-related companies
2. Other companies</td><td>

100
20</td><td>

80
0</td></tr>
<tr><td>Debt securities* and Money Market Instruments</td><td>20</td><td>0</td></tr>
</table>
* including government securities and securitised debt up to 20%

The Scheme would primarily invest in equities and equity related instruments of companies which are engaged either directly or indirectly in infrastructure-related activities.
The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

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

<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>A maximum of 40% of net assets may be deployed in securities lending and the</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds</td></tr>
</table>
</td>
<td>
<table>
<tr><th></th><th colspan="2">(% of total assets)</th></tr>
<tr><th></th><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Equities and Equity Linked instruments of Smaller Companies
• Infrastructure-related companies
• Other companies</td><td>
100
20</td><td>
80
0</td></tr>
<tr><td>Money market instruments, other liquid instruments, Units issued by Infrastructure Investment Trusts (InvITs), Units of Debt mutual fund schemes# and gold and silver ETFs</td><td>20</td><td>0</td></tr>
</table>
The scheme will only invest in Overnight funds, Liquid funds and Money Market Mutual Funds for liquidity purposes.
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities
The cumulative gross exposure through equity, debt, derivative positions and Real Estate Investment Trusts, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.
Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
</table>
</td>
</tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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 counterparty can be identified.	dated June 27, 2024	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 counterparty can be identified.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	2	Securitized Debt	The scheme will invest in Government securities and securitised debt up to 20%	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024	2.	Derivatives for hedging and rebalancing purposes	Upto 50% The cumulative gross exposure through debt and derivative positions should not exceed 100% of the net assets of the Scheme.	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	3	Derivatives for hedging and rebalancing purposes	Upto 50% The cumulative gross exposure through debt and derivative positions should not exceed 100% of the net assets of the Scheme.	Para 12.25 of SEBI Master Circular dated June 27, 2024June 27, 2024.	3.	**Securitized Debt**	**The scheme will not invest in Securitized debt**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	4	Credit default Swaps	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024June 27, 2024	4.	**Repo/ reverse repo transactions in corporate debt securities**	**The scheme will not invest in Repo/ reverse repo transactions in corporate debt securities**	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	5	Covered call options	The scheme will not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	6	Repos/reverse repo in corporate debt securities	The scheme shall not invest in Repos/reverse repo in corporate debt securities.	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27,				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
				2024	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)**	**The scheme will not invest in debt instruments with special features**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	7	Overseas Securities	The scheme will invest upto 35% in overseas securities	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024	6.	**Debt instruments with Credit enhancement/structured obligations**	**The scheme will not invest in Debt instruments with Credit enhancement/structured obligations**	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	8	REITS and InvITs	The scheme does not intend to invest in units issued by REITs* and InvITs. *Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024 In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025	7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	9	Securities borrowing & Short selling	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024			obligations and the Trustee will carry out the reviews required under said guidelines.	
	10	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.	The scheme may invest in certain 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	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
					8.	Overseas Securities	upto 35% of net assets of the scheme	**Para 13.11 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 issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					11	**Units of InVITs**	**A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits**	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		Additional Tier I bonds and Tier 2 bonds issued under Basel III framework)	eg. Additional Tier I bonds and Tier 2 bonds issued under Basel III framework) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer				**permitted by SEBI from time to time.**	**FAQ issued by AMFI dated May 4, 2026**
	11	Debt instruments with Credit enhancement/ structured obligations	Investment in such instruments shall not exceed 10% of the debt portfolio of the scheme and the	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master	12	**Units of debt mutual Fund schemes for liquidity purposes**	**The Scheme may invest in debt mutual fund scheme like Overnight fund, Liquid Fund and Money market funds for liquidity purposes without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund**	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
					13	**Gold & Silver ETFs**	**The scheme may invest in Gold & Silver ETFs in line with SEBI regulations**	**Para 13.16 of SEBI Master circular for mutual funds dated March 20, 2026 and FAQs issued by**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>
<table>
<tr><td></td><td></td><td>Group exposure in such instruments shall not exceed 5% of the debt portfolio of the scheme:
a) Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade.; and
b) Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.</td><td>Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td>12</td><td>Units of mutual Fund schemes</td><td>The Scheme may invest in any other scheme with charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any</td><td>Schedule 7 of SEBI (Mutual Funds) Regulations, 1996</td></tr>
</table>
</td><td>
<table>
<tr><td></td><td></td><td></td><td>AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 20% of net assets of the scheme</td><td>Not applicable</td></tr>
<tr><td>14</td><td>Covered call options</td><td>The Scheme shall not invest in covered call options</td><td>Para 13.15.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>
The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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.

Portfolio Rebalancing</td></tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)

		other AMC shall not exceed 5% of the net asset value of the mutual fund.	
13	Tri-party repos	Upto 20% of net assets	Not applicable

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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.

Portfolio Rebalancing
In the event of deviations, the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. In the event of deviation from mandated asset allocation mentioned in the Scheme Information Document (SID) due to passive breaches

In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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.

NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.

Portfolio Turnover
Portfolio turnover is defined as lesser of purchases and sales as a percentage of the average corpus of the Scheme during a specified period of time. Portfolio turnover in the scheme will be a function of market opportunities. The scheme is open-end scheme. It is expected that there would be a number of subscriptions and repurchases on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. The AMC will endeavour to optimise portfolio turnover to optimise risk adjusted return keeping in mind the cost associated with it. A high portfolio turnover rate is not

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio. **Portfolio Turnover** Portfolio turnover is defined as lesser of purchases and sales as a percentage of the average corpus of the Scheme during a specified period of time. Portfolio turnover in the scheme will be a function of market opportunities. The scheme is open-end scheme. It is expected that there would be a number of subscriptions and repurchases on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. The AMC will endeavour to optimise portfolio turnover to optimise risk adjusted return keeping in mind the cost associated with it. A high portfolio turnover rate is not necessarily a drag on portfolio	necessarily a drag on portfolio performance and may be representative of arbitrage opportunities that exist for securities held in the portfolio rather than an indication of change in AMC's view on a security etc. However, the AMC will take advantage of the opportunities that present themselves from time to time because of the inefficiencies in the securities markets.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	performance and may be representative of arbitrage opportunities that exist for securities held in the portfolio rather than an indication of change in AMC's view on a security etc. However, the AMC will take advantage of the opportunities that present themselves from time to time because of the inefficiencies in the securities markets.	
4. Any other changes	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time.	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo with underlying government securities or Treasury bill, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (d) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (e) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (f) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (g) Other schemes managed by the AMC or in the schemes of any other mutual funds (h) Gold and silver instruments as may be permitted by SEBI from time to time (i) Any other money market and liquid instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(f) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPS, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (h) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (i) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (j) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (b) Initial and follow on public offerings for listing at recognised stock exchanges overseas (c) ADRs / GDRs issued by Indian or foreign companies (d) foreign debt securities (convertible or non-convertible) in the countries with fully convertible currencies (e) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (f) Overseas Money market instruments rated not below investment grade (g) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme)	Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following: (j) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (k) Initial and follow on public offerings for listing at recognised stock exchanges overseas (l) ADRs / GDRs issued by Indian or overseas companies (m) Overseas Money market instruments rated not below investment grade (n) Overseas government securities where the countries are rated not below investment grade (o) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (p) Short term deposits with banks overseas where the issuer is rated not below investment grade (q) Overseas Exchange Traded Funds (ETFs) (r) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Overseas Securities. (s) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Overseas Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(h) Foreign government securities where the countries are rated not below investment grade (i) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (j) Short term deposits with banks overseas where the issuer is rated not below investment grade (k) Overseas Exchange Traded Funds (ETFs) (l) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). (m) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.	
5.	**I. Information about the Scheme:** **A. Where will the scheme invest**	**I. Information about the Scheme:** A. **Where will the scheme invest**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and units of Real Estate Investment Trust. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers	Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and units of Real Estate Investment Trust. • **Units of domestic mutual funds of Overnight, Liquid and Money Market Mutual Funds** • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. • **Other liquid instruments** **Other liquid instruments shall include cash, bank deposits with Scheduled Commercial Banks, Government Securities, Treasury bills, Repo on Government securities and any other instruments as may be specified by SEBI from time to time.** **Commodities** **1. Gold ETF** **2. Silver ETF**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.	

13. Name of the Scheme/s : Franklin India Opportunities Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Category of scheme</td><td>Thematic/Sectoral</td><td>Thematic</td></tr>
<tr><td>2. Type of scheme</td><td>An open-ended equity scheme following special situations theme</td><td>An open ended equity scheme investing in special situations theme</td></tr>
<tr><td>3. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><td>Instruments</td><td colspan="2">Indicative Allocations (% of total assets)</td></tr><tr><td></td><td>Minimum</td><td>Maximum</td></tr><tr><td>Equities and Equity related Instruments of special situations theme</td><td>80</td><td>100</td></tr><tr><td>Money Market Instruments</td><td>0</td><td>20</td></tr></table>The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table><tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr><tr><td>1.</td><td>Securities</td><td>A maximum of</td><td>Para 12.11 of</td></tr></table></td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><td>Instruments</td><td colspan="2">Indicative Allocations (% of total assets)</td></tr><tr><td></td><td>Minimum</td><td>Maximum</td></tr><tr><td>Equities and Equity related Instruments of special situations theme</td><td>80</td><td>100</td></tr><tr><td>Equity and equity related instruments, money market instruments, other liquid instruments, Units issued by Infrastructure Investment Trusts (InvITs), Units of Debt mutual fund schemes# and gold and silver ETFs.</td><td>0</td><td>20</td></tr></table># The scheme will only invest in Overnight funds, Liquid funds and Money Market Mutual Funds for liquidity purposes.
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities

The cumulative gross exposure through equity, debt, derivative positions, and, Real Estate Investment Trusts, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.
Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>
<table>
<tr><td></td><td>Lending</td><td>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.</td><td>SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td>2.</td><td>Securitized Debt</td><td>The scheme shall not invest in securitized debt.</td><td>Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td>3.</td><td>Derivatives for hedging and rebalancing purposes</td><td>The scheme may take exposure in derivatives up to a maximum of 50% of its AUM. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time</td><td>Para 12.25 of SEBI Master Circular dated June 27, 2024.</td></tr>
</table>
</td>
<td>
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
<tr><td>1.</td><td>Securities Lending</td><td>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 counterparty can be identified.</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>
</td>
</tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
					2.	Derivatives for hedging and rebalancing purposes	The scheme may take exposure in derivatives up to a maximum of 50% of its AUM. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					3.	**Securitized Debt**	**The scheme will not invest in Securitized debt**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					4.	**Repo/ reverse repo transactions in corporate debt securities**	**The scheme will not invest in Repo/ reverse repo transactions in corporate debt securities**	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
		4.	Credit default Swaps	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024			
		5.	Covered call options	The Scheme shall not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024			
		6.	Repos/reverse repo in corporate debt securities	The scheme shall not invest in Repos/reverse repo in corporate debt securities.	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024			
		7.	Overseas Securities	upto 35% of net assets	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024			
		8.	ReITS and InVITS	The scheme does not intend to invest in units issued by REITs* and InvITs. *Any potential future investment	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024			

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.	In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025				
	9.	Securities borrowing & Short selling	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
					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)**	**The scheme will not invest in debt instruments with special features**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					6.	**Debt instruments with Credit enhancement/structured obligations**	**The scheme will not invest in Debt instruments with Credit enhancement/structured obligations**	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.				the reviews required under said guidelines.	
	10.	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)	The scheme shall not invest in such securities.	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024	8.	Overseas Securities	upto 35% of net assets of the scheme	**Para 13.11 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 issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					11	**Units of InVITs**	**A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time.**	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	11.	Debt instruments with Credit enhancement/ structured obligations	The scheme shall not invest in such securities.	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024				**dated May 4, 2026**
	12.	Units of mutual Fund schemes	The Scheme may invest in any other scheme with similar investment objectives without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996	12	**Units of debt mutual Fund schemes for liquidity purposes**	**The Scheme may invest in debt mutual fund scheme like Overnight fund, Liquid Fund and Money market funds for liquidity purposes without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund**	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
					13	**Gold & Silver ETFs**	**The scheme may invest in Gold & Silver ETFs in line with SEBI regulations**	**Para 13.16 of SEBI Master circular for mutual funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>
<table>
<tr><td></td><td></td><td>mutual fund</td><td></td></tr>
<tr><td>13.</td><td>Tri-party repos</td><td>Upto 20% of net assets</td><td>Not applicable</td></tr>
</table>

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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.

Portfolio Rebalancing
In the event of deviations the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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
</td>
<td>
<table>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 20% of net assets of the scheme</td><td>Not applicable</td></tr>
<tr><td>14</td><td>Covered call options</td><td>The Scheme shall not invest in covered call options</td><td>Para 13.15.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>
The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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.

Portfolio Rebalancing
In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. In the event of deviation from mandated asset allocation mentioned in the Scheme Information Document (SID) due to passive
</td>
</tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.	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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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. **Portfolio Turnover** Portfolio turnover is defined as lesser of purchases and sales as a percentage of the average corpus of the Scheme during a specified period of time. Portfolio turnover in the scheme will be a function of market opportunities. The scheme is open-end scheme. It is expected that there would be a number of subscriptions and repurchases on a daily basis. Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio. The AMC will endeavour to optimise portfolio turnover to optimise risk adjusted return keeping in mind the cost associated with it. A high portfolio turnover rate is not necessarily a drag on portfolio performance and may be representative of arbitrage opportunities that exist for securities held in the portfolio rather than an indication of change in AMC's view on a security etc. However, the AMC will take advantage of the opportunities that present themselves from time to time because of the inefficiencies in the securities markets. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.
4. Any	**WHERE WILL THE SCHEME INVEST?**	**WHERE WILL THE SCHEME INVEST?**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
other changes	Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPS, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time.	Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo with underlying government securities or Treasury bill, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (d) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (e) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (f) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (g) Other schemes managed by the AMC or in the schemes of any other mutual funds (h) Gold and silver instruments as may be permitted by SEBI from time to time (i) Any other money market and liquid instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following: (j) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (k) Initial and follow on public offerings for listing at recognised stock exchanges overseas (l) ADRs / GDRs issued by Indian or overseas companies (m) Overseas Money market instruments rated not below investment grade (n) Overseas government securities where the countries are rated not below

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (h) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (i) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (j) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (b) Initial and follow on public offerings for listing at recognised stock exchanges overseas (c) ADRs / GDRs issued by Indian or foreign companies (d) foreign debt securities (convertible or non-convertible) in the countries with fully convertible currencies (e) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (f) Overseas Money market instruments rated not below investment grade (g) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) (h) Foreign government securities where the countries are rated not below investment grade	investment grade (o) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (p) Short term deposits with banks overseas where the issuer is rated not below investment grade (q) Overseas Exchange Traded Funds (ETFs) (r) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Overseas Securities. (s) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Overseas Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(i) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (j) Short term deposits with banks overseas where the issuer is rated not below investment grade (k) Overseas Exchange Traded Funds (ETFs) (l) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). (m) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.	
5.	**I. Information about the Scheme:** **A. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below:	I. **Information about the Scheme:** A. **Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	• **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares , equity derivatives and units of Real Estate Investment Trust. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills	Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and units of Real Estate Investment Trust. • **Units of domestic mutual funds of Overnight, Liquid and Money Market Mutual Funds** • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. • **Other liquid instruments** **Other liquid instruments shall include cash, bank deposits with Scheduled Commercial Banks, Government Securities, Treasury bills, Repo on Government securities and any other instruments as may be specified by SEBI from time to time.** **Commodities** **1. Gold ETF** **2. Silver ETF**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.	

14. Name of the Scheme/s : Franklin Asian Equity Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Category of Scheme</td><td>Thematic/Sectoral</td><td>Thematic</td></tr>
<tr><td>2. Type of scheme</td><td>An open-ended equity scheme following Asian (excluding Japan) equity theme</td><td>An open ended equity scheme investing in Asian (excluding Japan) equity theme</td></tr>
<tr><td>3. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:

<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of Net assets)</th></tr><tr><th>Maximum</th><th>Minimum</th></tr><tr><td>Equities and Equity Linked instruments</td><td>100</td><td>80</td></tr><tr><td>Domestic securities</td><td>45</td><td>35</td></tr><tr><td>Foreign Securities</td><td>65</td><td>45</td></tr><tr><td>Domestic Debt securities and Money Market Instruments</td><td>20</td><td>0</td></tr><tr><td>Units of Real Estate Investment Trusts (REIT)/ Infrastructure Investment Trust (InvIT)</td><td>10</td><td>0</td></tr></table>
The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), and repo</td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of Net assets)</th></tr><tr><th>Maximum</th><th>Minimum</th></tr><tr><td>Equities and Equity Linked instruments</td><td>100</td><td>80</td></tr><tr><td>Domestic securities</td><td>45</td><td>35</td></tr><tr><td>Overseas Securities</td><td>65</td><td>45</td></tr><tr><td>Money market instruments, other liquid instruments, Units issued by Infrastructure Investment Trusts (InvITs), Units of Debt mutual fund schemes# and gold and silver ETFs</td><td>20</td><td>0</td></tr></table>
The scheme will only invest in Overnight funds, Liquid funds and Money Market Mutual Funds for liquidity purposes.
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>transactions in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>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</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
</table>
</td>
<td>The cumulative gross exposure through equity, debt, derivative positions and Real Estate Investment Trusts, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
<tr><td>1.</td><td>Securities Lending</td><td>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</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>
</td>
</tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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 counterparty can be identified.				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 counterparty can be identified.	
	2	**Securitized Debt**	Upto 20% of the net assets	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024	2.	**Derivatives for hedging and rebalancing purposes**	upto a maximum of 50% of net assets. Investment in derivatives including imperfect hedging using Interest Rate Futures and writing call options through covered strategy shall be in line with the guidelines prescribed by SEBI from time to time. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	3	**Derivatives for hedging and rebalancing purposes**	upto a maximum of 50% of net assets. Investment in derivatives including imperfect hedging using Interest Rate Futures and writing call options through	Para 12.25 of SEBI Master Circular dated June 27, 2024.				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			covered strategy shall be in line with the guidelines prescribed by SEBI from time to time. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time.				to time.	
	4	**Credit default Swaps**	The Scheme shall not invest in Credit Default Swap transactions.	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024	3.	**Securitized Debt**	**The scheme will not invest in Securitized debt**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	5	**Covered call options**	As per applicable regulations	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024	4.	**Repo/ reverse repo transactions in corporate debt securities**	**The scheme will not invest in Repo/ reverse repo transactions in corporate debt securities**	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	6	**Repos/reverse repo in corporate debt securities**	Upto 10% of net assets	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27,	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)**	**The scheme will not invest in debt instruments with special features**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					6.	**Debt instruments with Credit enhancement/structured obligations**	**The scheme will not invest in Debt instruments with Credit enhancement/structured obligations**	**Para 13.1 of SEBI Master Circular on Mutual Funds dated**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
				2024				**March 20, 2026**
	7	**Overseas Securities**	45-65% of net assets. Foreign Securities of Asian companies (excluding Japan) and other companies that are benefiting from growth in Asian economies.	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024	7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	8	**ReITS and InVITS**	A maximum of 10% of net assets may be deployed in InvITs and the maximum single issuer exposure may be restricted to 5% of net assets in the units of InvITs or upto the limits permitted by SEBI from time to time *Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024 In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025	8.	Overseas Securities	45-65% of net assets of the scheme. Overseas Securities of Asian companies (excluding Japan) and other companies that are benefiting from growth in Asian economies	**Para 13.11 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**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.					**Funds dated March 20, 2026**
	9	**Securities borrowing & Short selling**	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	10	Units issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					11	Units of InVITs	A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time.	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026**
					12	**Units of debt mutual Fund schemes for liquidity purposes**	**The Scheme may invest in debt mutual fund scheme like Overnight fund, Liquid Fund and Money market funds for liquidity purposes without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of**	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20,**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			guidelines.				**Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund**	**2026 and FAQs issued by AMFI dated May 4, 2026**
	10	**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)**	The scheme may invest in certain 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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024		13	**Gold & Silver ETFs**	**The scheme may invest in Gold & Silver ETFs in line with SEBI regulations**	**Para 13.16 of SEBI Master circular for mutual funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
						13	Tri-party repos	Upto 20% of net assets of the scheme	Not applicable
						14	Covered call options	The Scheme shall not invest in covered call options	Para 13.15.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026
					The fund managers will follow an active investment strategy taking			

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)
			scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer		defensive/aggressive postures depending on opportunities available at various points in time. 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. **Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 shall be complied with. This
	11	**Debt instruments with Credit enhancement/ structured obligations**	Investment of the scheme in the following instruments shall not exceed 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 scheme	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024	
	12	**Units of mutual Fund schemes**	upto 10% of the net assets	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996	
	13	**Tri-party repos**	Upto 20% of net assets	Not applicable	

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time. 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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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. **Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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	includes disclosure to investors in case the AUM of deviated portfolio is more than 10% of the AUM of main portfolio of scheme.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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.	
4. Any other changes	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo with underlying government securities or Treasury bill, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (d) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (e) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (f) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (g) Other schemes managed by the AMC or in the schemes of any other mutual funds

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPS, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (h) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (i) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (j) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (b) Initial and follow on public offerings for listing at recognised stock exchanges overseas	(h) Gold and silver instruments as may be permitted by SEBI from time to time (i) Any other money market and liquid instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (b) Initial and follow on public offerings for listing at recognised stock exchanges overseas (c) ADRs / GDRs issued by Indian or overseas companies (d) Overseas Money market instruments rated not below investment grade (e) Overseas government securities where the countries are rated not below investment grade (f) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (g) Short term deposits with banks overseas where the issuer is rated not below investment grade (h) Overseas Exchange Traded Funds (ETFs) (i) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Overseas Securities,. (j) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Overseas Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(c) ADRs / GDRs issued by Indian or foreign companies (d) foreign debt securities (convertible or non-convertible) in the countries with fully convertible currencies (e) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (f) Overseas Money market instruments rated not below investment grade (g) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) (h) Foreign government securities where the countries are rated not below investment grade (i) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (j) Short term deposits with banks overseas where the issuer is rated not below investment grade (k) Overseas Exchange Traded Funds (ETFs) (l) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). (m) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or	guidelines and regulations applicable to such transactions

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions	
5.	**I. Information about the Scheme:** **A. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares , equity derivatives and units of Real Estate Investment Trust. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee),	**I. Information about the Scheme:** A. **Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and units of Real Estate Investment Trust. • **Units of domestic mutual funds of Overnight, Liquid and Money Market Mutual Funds** • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.	• **Other liquid instruments** **Other liquid instruments shall include cash, bank deposits with Scheduled Commercial Banks, Government Securities, Treasury bills, Repo on Government securities and any other instruments as may be specified by SEBI from time to time.** **Commodities** **1. Gold ETF** **2. Silver ETF**

15. Name of the Scheme/s : Franklin India Multi Factor Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Category of scheme</td><td>Thematic/Sectoral</td><td>Thematic</td></tr>
<tr><td>2. Type of scheme</td><td>An open-ended equity scheme following a multi-factor based quantitative investment strategy.</td><td>An open ended equity scheme investing in a multi-factor based quantitative investment theme.</td></tr>
<tr><td>3. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:

<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr><tr><th>Minimum</th><th>Maximum</th></tr><tr><td>Equity and Equity related instruments</td><td>80</td><td>100</td></tr><tr><td>Debt, money market instruments & cash & cash equivalent#**</td><td>0</td><td>20</td></tr></table>
#Money Market instruments include commercial papers, commercial bills, treasury bills, Tri-party repo, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, and any other like instruments as specified under applicable regulations from time to time.

*Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities</td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr><tr><th>Minimum</th><th>Maximum</th></tr><tr><td>Equity and Equity related instruments</td><td>80</td><td>100</td></tr><tr><td>Money market instruments, other liquid instruments, Units issued by Infrastructure Investment Trusts (InvITs), Units of Debt mutual fund schemes# and gold and silver ETFs</td><td>0</td><td>20</td></tr></table>
The scheme will only invest in Overnight funds, Liquid funds and Money Market Mutual Funds for liquidity purposes.
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities
The cumulative gross exposure through equity, debt, derivative positions and Real Estate Investment Trusts, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.</td></tr>
</table>

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<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
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<td></td>
<td>The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
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<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>Upto 20% of net assets and the maximum single party exposure will be restricted to 5%^ 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</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
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<td>**Indicative Table** (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
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<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
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^ 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 counterparty can be identified.</td><td>**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**</td></tr>
</table>
</td>
</tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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 counterparty can be identified.		2.	Derivatives including index futures, stock futures, index options, & stock options (including covered call strategy) in line with SEBI guidelines, etc.	Upto 50% of net assets of the scheme 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. The margin money deployed on derivative positions would be included in Money Market Instruments. Derivatives exposure for non-hedging purposes: upto 20%	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	2	Securitized Debt	Upto 20% of net assets. The Scheme shall not invest in foreign securitized debt.	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024	3.	**Securitized Debt**	**The scheme will not invest in Securitized debt**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	3	Derivatives including index futures, stock futures, index options, & stock options (including covered call strategy) in line with SEBI guidelines, etc. Debt derivatives including Forward Rate Agreements, Interest Rate Futures and Interest rate	Upto 50% of net assets of the scheme 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	Para 12.25 of SEBI Master Circular dated June 27, 2024.	4.	**Repo/ reverse repo transactions in corporate debt**	**The scheme will not invest in Repo/ reverse repo transactions in**	**Para 13.8 of SEBI Master Circular on**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		swaps.	by SEBI from time to time. The margin money deployed on derivative positions would be included in Debt & Money Market Instruments. Derivatives exposure for non-hedging purposes: upto 20%			**securities**	**corporate debt securities**	**Mutual Funds dated March 20, 2026**
	4	Credit default Swaps	Upto 10% of net assets	Circular dated September 20, 2024	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)**	**The scheme will not invest in debt instruments with special features**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	5	Repos/reverse repo in corporate debt securities	Upto 10% of net assets	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024	6.	**Debt instruments with Credit enhancement/structured obligations**	**The scheme will not invest in Debt instruments with Credit enhancement/structured obligations**	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	6	Overseas Securities/ETFs	Overseas Securities - Upto 20% of net assets Overseas ETF - Upto 20% of net assets	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024	7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	7	ReITS and InVITS	The scheme may invest upto 10% of the net assets of the scheme in units issued by REITs and InvITs and not more than 5% of the net assets of the	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			Scheme will be invested in InvITs and REITs of any single issuer.				of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	
	8	Securities borrowing & Short selling	The Scheme shall not engage in securities borrowing and short selling activities.	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	9	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)	The Scheme shall not invest more than 10% of its NAV of the debt portfolio of the scheme in such instruments having special features or as permitted by SEBI from time to time.	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024		8.	Overseas Securities	Overseas Securities - Upto 20% of net assets of the scheme Overseas ETF - Upto 20% of net assets of the scheme"	**Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	10	Debt instruments with Credit enhancement/ structured obligations	The total exposure towards Credit Enhancement / structured obligations such as corporate / promoter guarantee etc. shall not exceed 10% of debt portfolio of the Scheme and group exposure shall	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024		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 issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>
<table>
<tr><td></td><td></td><td>not exceed 5% of debt portfolio of the Scheme.</td><td></td></tr>
<tr><td>11</td><td>Units of mutual Fund schemes</td><td>The scheme may invest in Mutual Fund units including ETFs to the extent of 35% of net assets of the Scheme. This investment is subject to prevailing regulatory limits of aggregate inter scheme investment made by all schemes under the same management or in schemes under the management of any other asset management company which shall not exceed 5% of the net asset value of the mutual fund.</td><td>Schedule 7 of SEBI (Mutual Funds) Regulations, 1996</td></tr>
<tr><td>12</td><td>Tri-party repos</td><td>Upto 100% of net assets</td><td>Not applicable</td></tr>
</table>
The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.
</td><td>
<table>
<tr><td>11</td><td>Units of InVITs</td><td>A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time.</td><td>Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026</td></tr>
<tr><td>12</td><td>Units of debt mutual Fund schemes for liquidity purposes</td><td>The Scheme may invest in debt mutual fund scheme like Overnight fund, Liquid Fund and Money market funds for liquidity purposes without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund</td><td>Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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.

Portfolio Rebalancing
In the event of deviations, the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024, shall be</td>
<td>
<table>
<tr><td>13</td><td>Gold & Silver ETFs</td><td>The scheme may invest in Gold & Silver ETFs in line with SEBI regulations</td><td>Para 13.16 of SEBI Master circular for mutual funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 100% of net assets of the scheme</td><td>Not applicable</td></tr>
</table>
The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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.

Portfolio Rebalancing
</td>
</tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	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.	In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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.
4. Any other changes	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo with underlying government securities or

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	Government or any state government (d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPS, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (h) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (i) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (j) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas (b) Initial and follow on public offerings for listing at recognised stock exchanges overseas	Treasury bill, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. **(d) Domestic derivatives including stock futures, index futures, stock options, index options, writing of call options under a covered call strategy and other derivative instruments as permitted by SEBI from time to time** (e) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (f) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (g) Other schemes managed by the AMC or in the schemes of any other mutual funds **(h) Gold and silver instruments as may be permitted by SEBI from time to time** (i) Any other money market and liquid instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following: • Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas • Initial and follow on public offerings for listing at recognised stock exchanges overseas • ADRs / GDRs issued by Indian or overseas companies • Overseas Money market instruments rated not below investment grade • Overseas government securities where the countries are rated not below investment grade • Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) • Short term deposits with banks overseas where the issuer is rated not below investment grade

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(c) ADRs / GDRs issued by Indian or foreign companies (d) foreign debt securities (convertible or non-convertible) in the countries with fully convertible currencies (e) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (f) Overseas Money market instruments rated not below investment grade (g) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) (h) Foreign government securities where the countries are rated not below investment grade (i) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (j) Short term deposits with banks overseas where the issuer is rated not below investment grade (k) Overseas Exchange Traded Funds (ETFs) (l) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). (m) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs),	• Overseas Exchange Traded Funds (ETFs) • units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Overseas Securities,. • Any other permitted overseas securities / instruments that may be available from time to time. Investment in Overseas Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.	
6. Where will the scheme Invest	**I. Information about the Scheme:** **A. Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and units of Real Estate Investment Trust. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions,	**I. Information about the Scheme:** A. **Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and units of Real Estate Investment Trust. • **Units of domestic mutual funds of Overnight, Liquid and Money Market Mutual Funds** • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. • **Other liquid instruments**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.	**Other liquid instruments shall include cash, bank deposits with Scheduled Commercial Banks, Government Securities, Treasury bills, Repo on Government securities and any other instruments as may be specified by SEBI from time to time.** **Commodities** **1. Gold ETF** **2. Silver ETF**

Annexure II – Changes in Debt Schemes

1. Name of the Scheme/s : Franklin India Medium to Long Duration Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Category of scheme*</td><td>Medium to Long duration fund</td><td>Medium to Long Term Fund</td></tr>
<tr><td>2. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Debt & Money Market Instruments, cash & cash equivalent including government securities</td><td>0</td><td>100</td></tr>
</table>
*including central and state Government Securities upto 100%Securitised Debt up to 30%

The Scheme may have exposure in the following:

Indicative Table
(Actual instrument/percentages may vary subject to applicable SEBI circulars)
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure (% of total assets)</th><th>Circular references</th></tr>
<tr><td>1.</td><td>Securities Lending</td><td>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</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
</table></td><td>Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Debt & Money Market Instruments, cash & cash equivalent including government securities@</td><td>0</td><td>100</td></tr>
</table>
*including central and state Government Securities upto 100%Securitised Debt up to 30%

The fund will maintain a Macaulay duration of 4 to 7 years. However, in case of adverse market conditions, the fund manager, may reduce the portfolio duration of the scheme up to one year.

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

The cumulative gross exposure through debt and derivative positions, repo transactions and credit default swaps in corporate debt securities, other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):</td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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 counterparty can be identified.		**Sl. No**	**Type of Instrument**	**Percentage of Exposure (% of total assets)**	**Circular References**
	2.	Debt Derivatives	Upto 50% The cumulative gross exposure through debt and derivative positions should not exceed 100% of the net assets of the Scheme. Derivatives exposure for non-hedging purposes: Nil	Para 7.5, 7.6 and 12.25 of SEBI Master Circular on Mutual Funds dated June 27, 2024	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 counterparty can be	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	3.	Securitized	Upto 30%	Para 12.15 of SEBI				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		Debt		Master Circular on Mutual Funds dated June 27, 2024			identified.	
	4.	Repo transactions in Corporate debt securities	Upto 10%	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	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)	Upto 10% of Net assets and not more than 5% of net assets in instruments issued by a single issuer	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024		2.	Debt Derivatives	Upto 50% The cumulative gross exposure through debt and derivative positions should not exceed 100% of the net assets of the Scheme. Derivatives exposure for non-hedging purposes: Nil	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	6.	Debt instruments with Credit enhancement/ structured	Upto 10% of the debt portfolio of the scheme and the group exposure in such instruments shall not exceed 5% of the debt	Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024		3.	Securitized Debt	Upto 30%	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
						4.	Repo/ reverse repo transactions in corporate	Upto 10%	**Para 13.8 of SEBI Master**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		obligations	portfolio of the schemes			debt securities		**Circular on Mutual Funds dated March 20, 2026**
	7.	Short Selling in debt instruments	The scheme will not engage in Short Selling.	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	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)	Upto 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**
	8.	Units issued by REITs and InvITs	The scheme will not invest in the units issued by REITs and InvITs	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024 In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025	6.	Debt instruments with Credit enhancement/structured obligations	Upto 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**
	9.	Foreign Securities	The scheme will not invest in Foreign Securities	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024	7.	Securities borrowing and Short Selling activities	The scheme will not engage in Short Selling	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	10	Credit Default Swap transactions	The scheme will not engage in Credit Default Swap Transactions	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	11	Units of mutual Fund schemes	The scheme will not invest in Mutual Fund Units	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996				
	Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.							

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th colspan="4">Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>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 their 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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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.</td><td colspan="4"><table>
<tr><td>8.</td><td>Overseas Securities</td><td>The scheme will not invest in Overseas Securities</td><td>Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>9.</td><td>Credit Default Swap transactions</td><td>The scheme will not engage in Credit Default Swap Transactions</td><td>Para 13.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>10</td><td>Units issued by REITs</td><td>The scheme will not invest in REITs</td><td>Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>11</td><td>Units of InVITs</td><td>The scheme will not invest in INVITs</td><td>Para 13.13, 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026</td></tr>
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</table>

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<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>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 43A of SEBI (Mutual Funds) Regulations, 1996 read with Chapter 16A of SEBI Master circular on Mutual Funds dated June 27, 2024 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM as on December 31, 2022 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 starting from December 2023 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 as per Para</td><td>
<table>
<tr><td>12</td><td>Units of mutual fund schemes</td><td>The scheme will not invest in Mutual Funds</td><td>Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 100%</td><td>Not applicable</td></tr>
</table>

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 their 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</td></tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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. In accordance with Para 4.6 of SEBI Master Circular on Mutual Funds dated June 27, 2024, the scheme shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. Such investment shall not be included for determining the scheme characteristics as specified in Part IV of SEBI Master Circular on Mutual Funds dated June 27, 2024. In case, the exposure in such liquid assets / securities falls below the SEBI prescribed threshold, the AMC shall ensure compliance with the above requirement before making any further investments.	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 on 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 as on December 31, 2022 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 starting from December 2023 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

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		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 as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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. @In accordance with Para 5.7 of SEBI Master Circular on Mutual Funds dated March 20, 2026, the scheme shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. Such investment shall not be included for determining the scheme characteristics as specified in Chapter 3 of SEBI Master Circular on Mutual Funds dated March 20, 2026. In case, the exposure in such liquid assets / securities falls below the SEBI prescribed

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		threshold, the AMC shall ensure compliance with the above requirement before making any further investments.
3. Any other changes	WHAT ARE THE INVESTMENT STRATEGIES? To achieve its investment objective of generating medium to long term capital appreciation with income by investing in debt and money market instruments such that Portfolio Macaulay duration is between 4 to 7 years. The portfolio will be actively managed to generate income while aiming to achieve an optimal balance between yield, safety and liquidity. 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.	WHAT ARE THE INVESTMENT STRATEGIES? To achieve its investment objective of generating medium to long term capital appreciation with income by investing in debt and money market instruments such that Portfolio Macaulay duration is between 4 to 7 years. **However, the fund manager, in the interest of investors, may reduce the portfolio duration of the aforementioned schemes up to one year, in case of adverse market conditions**. The portfolio will be actively managed to generate income while aiming to achieve an optimal balance between yield, safety and liquidity. 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.

2. Name of the Scheme/s : Franklin India Corporate Debt Fund

1. **The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
1. Asset		Under normal market circumstances, the investment range would be as

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Corporate Debt*</td><td>100</td><td>80</td></tr>
<tr><td>Government Securities, Debt, Real Estate Investment Trusts (REIT)/ Infrastructure Investment Trust (InvIT) and Money Market Instruments)</td><td>20</td><td>0</td></tr>
</table>
*Investment will be in AA+ and above rated corporate debt as provided by any SEBI recognised Rating Agency at the time of investment.
The cumulative gross exposure through equity, debt and derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.
The Scheme may have exposure in the following:
Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references*</th></tr>
</table></td><td>follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Corporate Debt*</td><td>100</td><td>80</td></tr>
<tr><td>Government Securities, Units issued by Infrastructure Investment Trust (InvIT) and Money Market Instruments@</td><td>20</td><td>0</td></tr>
</table>
*Investment will be in AA+ and above rated corporate debt as provided by any SEBI recognised Rating Agency at the time of investment.
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.
The cumulative gross exposure through, debt and derivative positions, repo transactions and credit default swaps in corporate debt securities, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.
The Scheme may have exposure in the following:
Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
</table></td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	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 counterparty can be identified.	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	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	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	2	**Securitized Debt**	Upto 50% of the net assets	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024			party exposure limits can only apply in case of OTC (over the counter) trades where counterparty can be identified.	
	3	**Derivatives for hedging and rebalancing purposes**	Upto a maximum of 50% of net assets. Investment in derivatives including imperfect hedging using Interest Rate Futures shall be in line with the guidelines prescribed by SEBI from time to time. The exposure limit per scrip/ instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time.	Para 12.25 of SEBI Master Circular dated June 27, 2024.		2.	Derivatives for hedging and rebalancing purposes	Upto a maximum of 50% of net assets. Investment in derivatives including imperfect hedging using Interest Rate Futures shall be in line with the guidelines prescribed by SEBI from time to time. The exposure limit per scrip/ instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time.	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	4	**Credit default Swaps**	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	5	**Covered call options**	The scheme will not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	6	**Repos/reverse repo in corporate**	Upto 10% of net assets	Para 12.18 of SEBI Master Circular on Mutual Funds dated		3.	Securitized Debt	Upto 50% of the net assets	**Chapter 13 of SEBI Master Circular on Mutual**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		debt securities		June 27, 2024				**Funds dated March 20, 2026**
	7	**Overseas Securities**	Up to 50% of net assets	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024	4.	Repo/ reverse repo transactions in corporate debt securities	Upto 10% of net assets	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	8	**REITs and InVITS**	A maximum of 10% of net assets may be deployed in InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time. Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024 In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025	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)	The scheme may invest in certain 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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10%	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			time to time.				of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer	
	9	**Securities borrowing & Short selling**	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	10	**Debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to**	The scheme may invest in certain 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	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
					6.	Debt instruments with Credit enhancement/structured obligations	Investment of the scheme in the following instruments shall not exceed 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 scheme	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		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)	and Tier 2 bonds issued under Basel III framework) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer		7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	11	**Debt instruments with Credit enhancement/ structured obligations**	Investment of the scheme in the following instruments shall not exceed 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 scheme	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024	8.	Overseas Securities	Upto 50% of the net assets of the scheme	**Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					9.	Credit Default Swap transactions	As per applicable regulations	**Para 13.17 of SEBI Master Circular on Mutual Funds dated**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	12	**Units of mutual Fund schemes**	The Scheme may invest in any other scheme with similar investment objectives without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996				**March 20, 2026**
	13	**Tri-party repos**	Upto 20% of net assets	Not applicable	10	**Units issued by REITs**	**The scheme will not invest in REITs**	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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.				11	Units of InVITs	A maximum of 10% of net assets may be deployed in units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time	**Para 13.13, 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026**
					12	**Units of domestic mutual fund schemes**	**The scheme will not invest in domestic Mutual Funds**	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20,**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>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 43A of SEBI (Mutual Funds) Regulations, 1996 read with Para 16A.1 of SEBI Master Circular on Mutual Funds dated June 27, 2024 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM as on December 31, 2022 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 starting from December 2023 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:</td>
<td>
<table>
<tr><td></td><td></td><td></td><td>2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>upto 20% of net assets</td><td>Not applicable</td></tr>
</table>

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 on 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 as on December 31, 2022 in the units of the Corporate Debt Market Development Fund ('CDMDF')
</td>
</tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	In the event of deviations the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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. In accordance with Para 4.6 of SEBI Master Circular on Mutual Funds dated May 19 2023, the scheme shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. Such investment shall not be included for determining the scheme characteristics as specified in Part IV of SEBI Master Circular on Mutual Funds dated June 27, 2024. In case, the exposure in such liquid assets / securities falls below the SEBI prescribed threshold, the AMC shall ensure compliance with the above requirement before making any further investments. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio	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 starting from December 2023 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 as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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. @In accordance with Para 5.7 of SEBI Master Circular on Mutual Funds dated March 20, 2026, the scheme shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. Such investment shall not be included for determining the scheme characteristics as specified in Chapter 3 of SEBI Master Circular on Mutual Funds dated March 20, 2026. In case, the exposure in such liquid assets / securities falls below the SEBI prescribed threshold, the AMC shall ensure compliance with the above requirement before making any further investments. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio
2. Any other changes	**Where will the scheme invest?** Subject to the SEBI Regulations, investment objective and the asset allocation pattern mentioned above, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (n) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (o) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may	**Where will the scheme invest?** Subject to the SEBI Regulations, investment objective and the asset allocation pattern mentioned above, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	or may not be guaranteed or supported by the Central Government or any state government	may or may not be guaranteed or supported by the Central Government or any state government
	(p) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time	(c) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time
	(q) Domestic securitised debt, pass through obligations, various types of securitisation issuances including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, single loan securitisation and other domestic securitisation instruments, and so on as may be permitted by SEBI from time to time.	(d) Domestic securitised debt, pass through obligations, various types of securitisation issuances including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, single loan securitisation and other domestic securitisation instruments, and so on as may be permitted by SEBI from time to time.
	(r) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time.	(e) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time.
	(s) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time	(f) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time
	(t) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time	(g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time
	(u) Foreign Securities	(h) Overseas Securities
	(v) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)	**(i) Units issued by Infrastructure Investment Trusts (InvITs)**
	(w) Repo of corporate debt securities	(j) Repo of corporate debt securities
	(x) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and	(k) Units of Corporate Debt Market Development Fund (l) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (a) foreign debt securities (non-convertible) in the countries with fully convertible currencies (b) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (c) Overseas Money market instruments rated not below investment grade (d) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) (e) Foreign government securities where the countries are rated not below investment grade (f) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (g) Short term deposits with banks overseas where the issuer is rated not below investment grade (h) Overseas Exchange Traded Funds (ETFs) (i) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). (j) Units of Corporate Debt Market Development Fund (k) Any other permitted overseas securities / instruments that may be available from time to time.	and as may be permitted by SEBI from time to time. Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following: (a) overseas debt securities (non-convertible) in the countries with fully convertible currencies (b) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (c) Overseas Money market instruments rated not below investment grade (d) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) (e) Overseas government securities where the countries are rated not below investment grade (f) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (g) Short term deposits with banks overseas where the issuer is rated not below investment grade (h) Overseas Exchange Traded Funds (ETFs) (i) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). (j) Any other permitted overseas securities / instruments that may be

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, auctions, open market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions	available from time to time. Investment in Overseas Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, auctions, open market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

3. Name of the Scheme/s : Franklin India Banking and PSU Debt Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>3. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Debt and Money Market Instruments issued by Banks, Public Sector Undertakings (PSUs), Public Financial Institutions (PFIs) and Municipal Bonds</td><td>100</td><td>80</td></tr>
<tr><td>Debt and Money Market Instruments issued by other entities; Gilt Securities and State Development Loans (SDLs) and Real Estate Investment Trusts (REIT)/ Infrastructure Investment Trust (InvIT)</td><td>20</td><td>0</td></tr>
</table>
The cumulative gross exposure through equity, debt and derivative</td><td>Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Debt including Money Market Instruments issued by Banks, Public Sector Undertakings (PSUs), Public Financial Institutions (PFIs) and Municipal Bonds@</td><td>100</td><td>80</td></tr>
<tr><td>Debt including Money Market Instruments issued by other entities; Gilt Securities and State Development Loans (SDLs), Infrastructure Investment Trust (InvIT)</td><td>20</td><td>0</td></tr>
</table>
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.
The Scheme may have exposure in the following:
Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>A maximum of 20% of net assets will be deployed in securities lending and the maximum single counterparty exposure will be restricted to 5%^ of net assets outstanding at any point of time</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td>2</td><td>Securitized Debt</td><td>Upto 50% of the net assets</td><td>Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td>3</td><td>Derivatives for hedging</td><td>The Scheme may invest in derivatives of fixed</td><td>Para 12.25 of SEBI Master Circular</td></tr>
</table>
</td>
<td>Bills and Repo on Government Securities.

The cumulative gross exposure through, debt and derivative positions, repo transactions and credit default swaps in corporate debt securities, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.
The Scheme may have exposure in the following:

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
<tr><td>1.</td><td>Securities Lending</td><td>A maximum of 20% of net assets will be deployed in securities lending and the maximum single counterparty exposure will be restricted to 5%^ 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</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>
</td>
</tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		and rebalancing purposes	income instruments up to a maximum of 50% of its net assets. The Scheme may also take imperfect hedging positions using Interest Rate Futures. The cumulative gross exposure through debt and derivative positions should not exceed 100% of the net assets of the Scheme.	dated June 27, 2024.			**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 counterparty can be identified**.	
	4	**Credit default Swaps**	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024	2.	Derivatives for hedging and rebalancing purposes	The Scheme may invest in derivatives of fixed income instruments up to a maximum of 50% of its net assets. The Scheme may also take imperfect hedging positions using Interest Rate Futures. The cumulative gross exposure through debt and derivative positions should not exceed 100% of the net assets of the Scheme.	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	5	**Covered call options**	The Scheme shall not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	6	**Repos/reverse repo in corporate debt securities**	Upto 10% of net assets	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	7	**Overseas Securities**	Upto 50% of the net assets of the scheme	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024	3.	Securitized Debt	Upto 50% of the net assets	**Chapter 13 of SEBI Master Circular on Mutual**
	8	**ReITS and InVITS**	A maximum of 10% of net assets may be deployed in InvITs and	Para 12.21 of SEBI Master Circular on Mutual Funds dated				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time. Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.	June 27, 2024 In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025				**Funds dated March 20, 2026**
	9	**Securities borrowing & Short selling**	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	4.	Repo/ reverse repo transactions in corporate debt securities	Upto 10% of net assets	**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)	"The scheme may invest in certain 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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.				scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer"	
	10	**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)**	The scheme may invest in certain 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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024	6.	Debt instruments with Credit enhancement/structured obligations	Investment of the scheme in the following instruments shall not exceed 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 scheme	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer				guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	
	11	**Debt instruments with Credit enhancement/ structured obligations**	Investment of the scheme in the following instruments shall not exceed 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 scheme	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024	8.	Overseas Securities	Upto 50% of the net assets of the scheme	**Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	12	**Units of mutual Fund schemes**	The Scheme may invest in any other scheme with similar investment objectives without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996	9.	Credit Default Swap transactions	As per applicable regulations	**Para 13.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					10	**Units issued by REITs**	**The scheme will not invest in REITs**	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					11	Units of InVITs	A maximum of 10% of net assets may be deployed in units issued by InvITs and the maximum single issuer exposure may be	**Para 13.13, 3.8.2 of SEBI Master Circular on Mutual Funds dated**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>
<table>
<tr><td></td><td></td><td>other AMC shall not exceed 5% of the net asset value of the mutual fund</td><td></td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>upto 20% of net assets</td><td>Not applicable</td></tr>
</table>

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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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 43A of SEBI (Mutual Funds) Regulations, 1996 read with Para 16A.1 of SEBI Master Circular on Mutual Funds dated June 27, 2024 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM as on December 31, 2022 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 starting from December 2023 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
</td>
<td>
<table>
<tr><td></td><td></td><td>restricted to 5% of net assets or upto the limits permitted by SEBI from time to time</td><td>March 20, 2026 and FAQ issued by AMFI dated May 4, 2026</td></tr>
<tr><td>12</td><td>Units of domestic mutual fund schemes</td><td>The scheme will not invest in domestic Mutual Funds</td><td>Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>upto 20% of net assets</td><td>Not applicable</td></tr>
</table>

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
</td>
</tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	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 as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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.	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 on 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 as on December 31, 2022 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 starting from December 2023 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

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	In accordance with Para 4.6 of SEBI Master Circular on Mutual Funds dated May 19 2023, the scheme shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. Such investment shall not be included for determining the scheme characteristics as specified in Part IV of SEBI Master Circular on Mutual Funds dated June 27, 2024. In case, the exposure in such liquid assets / securities falls below the SEBI prescribed threshold, the AMC shall ensure compliance with the above requirement before making any further investments NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio	**Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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. @In accordance with Para 5.7 of SEBI Master Circular on Mutual Funds dated March 20, 2026, the scheme shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. Such investment shall not be included for determining the scheme characteristics as specified in Chapter 3 of SEBI Master Circular on Mutual Funds dated March 20, 2026. In case, the exposure in such liquid assets / securities falls below the SEBI prescribed threshold, the AMC shall ensure compliance with the above requirement before making any further investments. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		Scheme/Scheme Portfolio.
4. Any other changes	**A. Where will the scheme invest?** Subject to the SEBI Regulations, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (y) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (z) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (aa) Domestic securitised debt, pass through obligations, various types of securitisation issuances including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, single loan securitisation and other domestic securitisation instruments, as may be permitted by SEBI / RBI from time to time. (bb) Sovereign securities issued by the central Government and / or a state government and / or any security unconditionally guaranteed by the central Government and / or State government for repayment of Principal and Interest (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) including State Development Loans (SDLs) (cc) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, Treasury Bills, TREPs, Repo / Reverse Repo, and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (dd) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are	**Where will the scheme invest?** Subject to the SEBI Regulations, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (b) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (c) Domestic securitised debt, pass through obligations, various types of securitisation issuances including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, single loan securitisation and other domestic securitisation instruments, as may be permitted by SEBI / RBI from time to time. (d) Sovereign securities issued by the central Government and / or a state government and / or any security unconditionally guaranteed by the central Government and / or State government for repayment of Principal and Interest (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) including State Development Loans (SDLs) (e) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, Treasury Bills, TREPs, Repo / Reverse Repo, and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (f) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	permitted by SEBI from time to time (ee) Deposits with banks and other bodies corporate as may be permitted by SEBI from time to time (ff) Foreign Securities (gg) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (hh) Repo of corporate debt securitiesAny other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, auctions, open market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities (except repo in corporate debt securities) held by it as per the guidelines and regulations applicable to such transactions. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (a) foreign debt securities (non-convertible) in the countries with fully convertible currencies (b) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (c) Overseas Money market instruments rated not below investment grade (d) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) (e) Foreign government securities where the countries are rated not below investment grade	SEBI from time to time (g) Deposits with banks and other bodies corporate as may be permitted by SEBI from time to time (h) Overseas Securities **(i) Units issued by Infrastructure Investment Trusts (InvITs)** (j) Units of Corporate Debt Market Development Fund (k) Repo of corporate debt securities (l) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, auctions, open market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities (except repo in corporate debt securities) held by it as per the guidelines and regulations applicable to such transactions. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (m) overseas debt securities (non-convertible) in the countries with fully convertible currencies (n) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (o) Overseas Money market instruments rated not below investment grade (p) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) (q) Foreign government securities where the countries are rated not below investment grade (r) Overseas derivatives traded on recognized stock exchanges overseas

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(f) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (g) Short term deposits with banks overseas where the issuer is rated not below investment grade (h) Overseas Exchange Traded Funds (ETFs) (i) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). (j) Units of Corporate Debt Market Development Fund (k) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, auctions, open market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.	(currently permitted only for hedging and portfolio balancing with underlying as securities) (s) Short term deposits with banks overseas where the issuer is rated not below investment grade (t) Overseas Exchange Traded Funds (ETFs) **(u)** units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets)**.** (v) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Overseas Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, auctions, open market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

4. Name of the Scheme/s : Franklin India Floating Rate Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Category of scheme*</td><td>Floating rate fund</td><td>Floating Interest Rates Fund</td></tr>
<tr><td>2. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr><tr><th>Maximum</th><th>Minimum</th></tr><tr><td>Floating Rate debt instruments (including fixed rate instruments converted to floating rate exposures using swaps/ derivatives)</td><td>100</td><td>65</td></tr><tr><td>Debt (other than floating rate instruments), Money market instruments and Real Estate Investment Trusts (REIT)/ Infrastructure Investment Trust (InvIT)</td><td>35</td><td>0</td></tr></table>
The cumulative gross exposure through debt and derivative positions (including fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.</td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr><tr><th>Maximum</th><th>Minimum</th></tr><tr><td>Floating Rate debt instruments (including fixed rate instruments converted to floating rate exposures using swaps/ derivatives)@</td><td>100</td><td>65</td></tr><tr><td>Debt (other than floating rate instruments), Money market instruments and Infrastructure Investment Trust (InvIT)@</td><td>35</td><td>0</td></tr></table>
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The cumulative gross exposure through, debt and derivative positions, repo transactions and credit default swaps in corporate debt securities, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.

The Scheme may have exposure in the following:
Indicative Table (Actual instrument/ percentages may vary subject to</td></tr>
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<td>
The Scheme may have exposure in the following:
Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>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</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
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applicable SEBI circulars):
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<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
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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</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>
</td>
</tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			(over the counter) trades where counterparty can be identified.				counter) trades where counterparty can be identified.	
	2	**Securitized Debt**	Upto 50% of the net assets	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024	2.	Derivatives for hedging and rebalancing purposes	up to a maximum of 100% of net assets. Investment in derivatives including imperfect hedging using Interest Rate Futures, Interest Rate Swaps and any other derivatives instrument as prescribed by SEBI from time to time. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time.	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	3	**Derivatives for hedging and rebalancing purposes**	up to a maximum of 100% of net assets. Investment in derivatives including imperfect hedging using Interest Rate Futures, Interest Rate Swaps and any other derivatives instrument as prescribed by SEBI from time to time. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time.	Para 12.25 of SEBI Master Circular dated June 27, 2024.	3.	Securitized Debt	Upto 50% of the net assets	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	4	**Credit default Swaps**	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024	4.	Repo/ reverse repo transactions in corporate	Upto 10% of net assets	**Para 13.8 of SEBI Master**
	5	**Covered call options**	The scheme will not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	6	**Repos/reverse repo in corporate debt securities**	Upto 10% of net assets	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024		debt securities		**Circular on Mutual Funds dated March 20, 2026**
	7	**Overseas Securities**	upto 50% of net assets	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024	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)	The scheme may invest in certain 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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments;	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	8	**REITs and InVITS**	A maximum of 10% of net assets may be deployed in InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time. Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024 In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025					

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
							and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer	
	9	**Securities borrowing & Short selling**	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	6.	Debt instruments with Credit enhancement/structured obligations	Investment of the scheme in the following instruments shall not exceed 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 scheme	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	10	**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**	The scheme may invest in certain 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) subject to the following:	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024	7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		issued under Basel III framework)	a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer				under said guidelines.	
					8.	Overseas Securities	Upto 50% of the net assets of the scheme	**Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	11	**Debt instruments with Credit enhancement/ structured obligations**	Investment of the scheme in the following instruments shall not exceed 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 scheme	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024	9.	Credit Default Swap transactions	As per applicable regulations	**Para 13.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	12	**Units of mutual Fund schemes**	The Scheme may invest in any other scheme with similar investment objectives without charging any fees, provided that aggregate interscheme investment	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996	10	**Units issued by REITs**	**The scheme will not invest in REITs**	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

<table>
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<tr>
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<tr><td></td><td></td><td>made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund</td><td></td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 35% of net assets</td><td>Not applicable</td></tr>
</table>

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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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 43A of SEBI (Mutual Funds) Regulations, 1996 read with Para 16A.1 of SEBI Master Circular on Mutual Funds dated June 27, 2024 on Investment by Mutual Fund Schemes
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<td>
<table>
<tr><td>11</td><td>Units of InVITs</td><td>A maximum of 10% of net assets may be deployed in units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time</td><td>Para 13.13, 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026</td></tr>
<tr><td>12</td><td>Units of domestic mutual fund schemes</td><td>The scheme will not invest in domestic Mutual Funds</td><td>Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 35% of net assets</td><td>Not applicable</td></tr>
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</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM as on December 31, 2022 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 starting from December 2023 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 as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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	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 on 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 as on December 31, 2022 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 starting from December 2023 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.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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. In accordance with Para 4.6 of SEBI Master Circular on Mutual Funds dated June 27, 2024, the scheme shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. Such investment shall not be included for determining the scheme characteristics as specified in Part IV of SEBI Master Circular on Mutual Funds dated June 27, 2024. In case, the exposure in such liquid assets / securities falls below the SEBI prescribed threshold, the AMC shall ensure compliance with the above requirement before making any further investments. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio	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 as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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. @In accordance with Para 5.7 of SEBI Master Circular on Mutual Funds dated March 20, 2026, the scheme shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. Such investment shall not be included for determining the scheme characteristics as specified in

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		Chapter 3 of SEBI Master Circular on Mutual Funds dated March 20, 2026. In case, the exposure in such liquid assets / securities falls below the SEBI prescribed threshold, the AMC shall ensure compliance with the above requirement before making any further investments. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio
3. Any other changes	**Where will the scheme invest?** Subject to the SEBI Regulations, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (d) Domestic securitised debt, pass through obligations, various types of securitisation issuances including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, single loan securitisation	**Where will the scheme invest?** Subject to the SEBI Regulations, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (d) Domestic securitised debt, pass through obligations, various types of securitisation issuances including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, single loan securitisation

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	and other domestic securitisation instruments, and so on as may be permitted by SEBI from time to time. (e) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Reverse Repo, and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (f) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time (g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (h) Foreign Securities (i) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (j) Repo of corporate debt securities (k) Any other domestic debt and money market instruments that may be available from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (a) foreign debt securities (non-convertible) in the countries with fully convertible currencies (b) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (c) Overseas Money market instruments rated not below investment grade (d) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) (e) Foreign government securities where the countries are rated not below investment grade	and other domestic securitisation instruments, and so on as may be permitted by SEBI from time to time. (e) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Reverse Repo, and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (f) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time (g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time **(h) Units issued by Infrastructure Investment Trusts (InvITs)** (i) Repo of corporate debt securities (j) Units of Corporate Debt Market Development Fund (k) Any other domestic debt and money market instruments that may be available from time to time. Further, the scheme may invest in various types of overseas instruments including, but not limited to, any of the following: (l) overseas debt securities (non-convertible) in the countries with fully convertible currencies (m) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (n) Overseas Money market instruments rated not below investment grade (o) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) (p) Overseas government securities where the countries are rated not below investment grade (q) Overseas derivatives traded on recognized stock exchanges overseas

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(f) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (g) Short term deposits with banks overseas where the issuer is rated not below investment grade (h) Overseas Exchange Traded Funds (ETFs) (i) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). (j) Units of Corporate Debt Market Development Fund (k) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.	(currently permitted only for hedging and portfolio balancing with underlying as securities) (r) Short term deposits with banks overseas where the issuer is rated not below investment grade (s) Overseas Exchange Traded Funds (ETFs) **(t)** units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets)**.** (u) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Overseas Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

5. Name of the Scheme/s : Franklin India Government Securities Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Category of scheme*</td><td>Government Securities Fund</td><td>Gilt Fund</td></tr>
<tr><td>2. Potential Risk Class (PRC) Matrix</td><td>
<table>
<tr><td rowspan="4">Max. Interest Rate Risk ↓</td><td colspan="4">Max. Credit Rate Risk →</td></tr>
<tr><td>POTENTIAL RISK CLASS</td><td>Relatively Low (Class A)</td><td>Moderate (Class B)</td><td>Relatively High (Class C)</td></tr>
<tr><td>Relatively Low (Class I)</td><td></td><td></td><td></td></tr>
<tr><td>Moderate (Class II)</td><td></td><td></td><td></td></tr>
<tr><td>Relatively High (Class III)</td><td>A-3</td><td></td><td></td></tr>
</table>
Description of potential risk: Relatively high interest rate risk and relatively low credit risk
</td><td>
<table>
<tr><td rowspan="4">Max. Interest Rate Risk ↓</td><td colspan="4">Max. Credit Rate Risk →</td></tr>
<tr><td>POTENTIAL RISK CLASS</td><td>Relatively Low (Class A)</td><td>Moderate (Class B)</td><td>Relatively High (Class C)</td></tr>
<tr><td>Relatively Low (Class I)</td><td></td><td></td><td></td></tr>
<tr><td>Moderate (Class II)</td><td></td><td></td><td></td></tr>
<tr><td>Relatively High (Class III)</td><td></td><td>B-3</td><td></td></tr>
</table>
Description of potential risk: Relatively High interest rate risk and moderate Credit Risk
</td></tr>
<tr><td>3. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th>Instruments</th><th>Indicative allocations (% of total assets)</th></tr>
</table>
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<table>
<tr><th>Instruments</th><th>Indicative allocations (% of total assets)</th></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>
<table>
<tr><th></th><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Securities issued by the Central/State Government and/or securities unconditionally guaranteed by the Central/State</td><td>100</td><td>80</td></tr>
<tr><td>Debt & Money Market Instruments</td><td>20</td><td>0</td></tr>
</table>
The cumulative gross exposure through equity, debt and derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

The Scheme may have exposure in the following:
Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>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</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
</table>
</td>
<td>
<table>
<tr><th></th><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Securities issued by the Central/State Government and/or securities unconditionally guaranteed by the Central/State</td><td>100</td><td>80</td></tr>
<tr><td>Debt & Money Market Instruments and Infrastructure Investment Trust (InvIT)</td><td>20</td><td>0</td></tr>
</table>
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

The cumulative gross exposure through, debt and derivative positions, repo transactions and credit default swaps in corporate debt securities, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.

The Scheme may have exposure in the following:
Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
</table>
</td>
</tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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 counterparty can be identified.		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 counterparty can be identified.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	2	**Securitized Debt**	Securitised Debt up to 50% of net assets	Para 12.15 of SEBI Master Circular on Mutual Funds dated				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
				June 27, 2024				
	3	**Derivatives for hedging and rebalancing purposes**	Derivatives up to a maximum of 50% of net assets. Investment in derivatives including imperfect hedging using Interest Rate Futures shall be in line with the guidelines prescribed by SEBI from time to time. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time.	Para 12.25 of SEBI Master Circular dated June 27, 2024.		2.	Derivatives for hedging and rebalancing purposes	Derivatives up to a maximum of 50% of net assets. Investment in derivatives including imperfect hedging using Interest Rate Futures shall be in line with the guidelines prescribed by SEBI from time to time. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time.	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	4	**Credit default Swaps**	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024	3.	Securitized Debt	Securitised Debt up to 50% of net assets	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					4.	Repo/ reverse repo transactions in corporate debt securities	Upto 10% of net assets	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	5	**Covered call options**	The Scheme shall not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024	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)	"The scheme may invest in certain 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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	6	**Repos/reverse repo in corporate debt securities**	Upto 10% of net assets	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	7	**Overseas Securities**	upto 50% of net assets	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	8	**ReITS and InVITS**	A maximum of 10% of net assets may be deployed in InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time. Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024 In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.				issued by a single issuer	
	9	**Securities borrowing & Short selling**	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024		6.	Debt instruments with Credit enhancement/structured obligations	Investment of the scheme in the following instruments shall not exceed 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 scheme	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
						7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			guidelines.				obligations and the Trustee will carry out the reviews required under said guidelines.	
	10	**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)**	The scheme may invest in certain 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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024	8.	Overseas Securities	Upto 50% of the net assets of the scheme	**Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					9.	Credit Default Swap transactions	As per applicable regulations	**Para 13.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					10	**Units issued by REITs**	**The scheme will not invest in REITs**	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					11	Units of InVITs	A maximum of 10% of net assets may be deployed in units issued by InvITs and the maximum single issuer exposure may be	**Para 13.13, 3.8.2 of SEBI Master Circular on Mutual Funds dated**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer				restricted to 5% of net assets or upto the limits permitted by SEBI from time to time	**March 20, 2026 and FAQ issued by AMFI dated May 4, 2026**
	11	**Debt instruments with Credit enhancement/ structured obligations**	Investment of the scheme in the following instruments shall not exceed 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 scheme	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024		12	**Units of domestic mutual fund schemes**	**The scheme will not invest in domestic Mutual Funds**	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
	12	**Units of mutual Fund schemes**	The Scheme may invest in any other scheme without charging any fees, provided that aggregate interscheme investment made by all schemes under	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996		13	Tri-party repos	Upto 20% of net assets	**Not applicable**
					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			

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
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<table>
<tr><td></td><td></td><td>the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund</td><td></td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 20% of net assets</td><td>Not applicable</td></tr>
</table>
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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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.

Portfolio rebalancing:
In the event of deviations the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. In the event of deviation from mandated asset allocation mentioned in the Scheme Information Document (SID) due to passive breaches (occurrence of</td>
<td>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.

Portfolio Rebalancing
In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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.

LIQUIDITY SUPPORT FROM RBI</td>
</tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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. **LIQUIDITY SUPPORT FROM RBI** Being a Scheme dedicated exclusively to investments in Government Securities, the Franklin India Government Securities Fund will be eligible to avail at any time liquidity support from RBI up to 20% of the outstanding value of its investments in government securities (as at the dose of business on the previous working day) made available by the RBI under its Guidelines (Ref. IDMC.No.2741 / 03.01.00 / 95-96 dated April 20, 1996). Liquidity support under these guidelines is available through reverse repurchase agreement in eligible Central Government dated securities and Treasury Bills of all maturities. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio	Being a Scheme dedicated exclusively to investments in Government Securities, the Franklin India Government Securities Fund will be eligible to avail at any time liquidity support from RBI up to 20% of the outstanding value of its investments in government securities (as at the dose of business on the previous working day) made available by the RBI under its Guidelines (Ref. IDMC.No.2741 / 03.01.00 / 95-96 dated April 20, 1996). Liquidity support under these guidelines is available through reverse repurchase agreement in eligible Central Government dated securities and Treasury Bills of all maturities. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.
4. Any other changes	**A.Where will the scheme invest?** Subject to the SEBI Regulations, investment objective and the asset	**A. Where will the scheme invest?** Subject to the SEBI Regulations, investment objective and the asset allocation

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	allocation pattern mentioned above, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (d) Domestic securitised debt, pass through obligations, various types of securitisation issuances including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, single loan securitisation and other domestic securitisation instruments, and so on as may be permitted by SEBI from time to time. (e) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (f) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time. (g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (h) Securitised Debt (i) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)	pattern mentioned above, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (d) Domestic securitised debt, pass through obligations, various types of securitisation issuances including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, single loan securitisation and other domestic securitisation instruments, and so on as may be permitted by SEBI from time to time. (e) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (f) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time. (g) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (h) Securitised Debt **(i) Units issued by Infrastructure Investment Trusts (InvITs)** (j) Repo of corporate debt securities

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(j) Repo of corporate debt securities (k) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (l) foreign debt securities (non-convertible) in the countries with fully convertible currencies (m) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (n) Overseas Money market instruments rated not below investment grade (o) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) (p) Foreign government securities where the countries are rated not below investment grade (q) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (r) Short term deposits with banks overseas where the issuer is rated not below investment grade (s) Overseas Exchange Traded Funds (ETFs) (t) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). (u) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the	(k) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following: (a) Overseas debt securities (non-convertible) in the countries with fully convertible currencies (b) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (c) Overseas Money market instruments rated not below investment grade (d) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) (e) Overseas government securities where the countries are rated not below investment grade (f) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (g) Short term deposits with banks overseas where the issuer is rated not below investment grade (h) Overseas Exchange Traded Funds (ETFs) **(i)** units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets)**.** (j) Any other permitted overseas securities / instruments that may be available from time to time. Investment in Overseas Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, auctions, open market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions	The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, auctions, open market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions

6 .Name of the Scheme/s : Franklin India Long Duration Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Category of scheme*</td><td>Long duration fund</td><td>Long Term Fund</td></tr>
<tr><td>2. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Debt securities* and Money Market Instruments, cash & cash equivalent</td><td>0</td><td>100</td></tr>
</table>
*including central and state Government Securities upto 100%, Securitised Debt up to 30%

The Scheme may have exposure in the following:

Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure (% of total assets)</th><th>Circular references</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>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</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
</table></td><td>Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Debt securities* and Money Market Instruments, cash & cash equivalent@</td><td>0</td><td>100</td></tr>
</table>
*including central and state Government Securities upto 100%, Securitised Debt up to 30%

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

The cumulative gross exposure through, debt and derivative positions, repo transactions and credit default swaps in corporate debt securities,), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.

The Scheme may have exposure in the following:
Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
</table></td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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 counterparty can be identified.		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 counterparty can be identified.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	2	Debt Derivatives	Upto 50% only for hedging purpose The cumulative gross exposure through debt and derivative positions should not exceed 100% of the net assets of the Scheme.	Para 7.5, 7.6 and 12.25 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	3	Securitized Debt	Upto 30%	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	4	Repo	Upto 10%	Para 12.18 of				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		transactions in Corporate debt securities		SEBI Master Circular on Mutual Funds dated June 27, 2024	2.	Debt Derivatives	Upto 50% only for hedging purpose The cumulative gross exposure through debt and derivative positions should not exceed 100% of the net assets of the Scheme.	**Para 8.5, 8.6 and 13.15, 13.16 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)	Upto 10% of Net assets and not more than 5% of net assets in instruments issued by a single issuer	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024	3.	Securitized Debt	Upto 30%	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	6	Debt instruments with Credit enhancement/ structured obligations	Upto 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 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024	4.	Repo/ reverse repo transactions in corporate debt securities	Upto 10%	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	7	Short Selling in	The scheme will not	Para 12.11 of	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	Upto 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**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		debt instruments	engage in Short selling	SEBI Master Circular on Mutual Funds dated June 27, 2024		and Tier 2 bonds issued under Basel III framework)		
	8	Units issued by REITs and InvITs	The scheme will not invest in the units issued by REITs and InvITs	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024. In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025	6.	Debt instruments with Credit enhancement/structured obligations	Upto 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**
	9	Foreign Securities	The scheme will not invest in Foreign Securities	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024	7.	Securities borrowing and Short Selling activities	The scheme will not engage in Short selling	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	10	Credit Default Swap transactions	The scheme will not engage in Credit Default Swap Transactions	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024	8.	Overseas Securities	The scheme will not invest in Overseas Securities	**Para 13.11 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 issued by REITs and InvITs	The scheme will not invest in the units	**Para 13.13, 3.8.2 of SEBI Master**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>
<table>
<tr><td>11</td><td>Units of mutual Fund schemes</td><td>The scheme will not invest in Mutual Fund Units</td><td>Schedule 7 of SEBI (Mutual Funds) Regulations, 1996</td></tr>
</table>

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

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 their 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
</td>
<td>
<table>
<tr><td></td><td></td><td>issued by REITs and InvITs</td><td>Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026</td></tr>
<tr><td>12</td><td>Units of mutual fund schemes</td><td>The scheme will not invest in Mutual Funds</td><td>Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 100% of net assets</td><td>Not Applicable</td></tr>
</table>

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 their 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%
</td>
</tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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 43A of SEBI (Mutual Funds) Regulations, 1996 read with Chapter 16A of SEBI Master Circular for Mutual Funds dated June 27, 2024 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM as on December 31, 2022 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 starting from December 2023 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	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 on Mutual Funds dated March 20, 2026 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(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 as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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. In accordance with Para 4.6 of SEBI Master Circular on Mutual Funds dated June 27, 2024, the scheme shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. Such investment shall not be included for determining the scheme characteristics as specified in Part IV of SEBI Master Circular on Mutual Funds dated June 27, 2024. In case, the exposure in such liquid assets / securities falls below the SEBI	invest 25 bps of its AUM as on December 31, 2022 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 starting from December 2023 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 as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	prescribed threshold, the AMC shall ensure compliance with the above requirement before making any further investments.	days from the date of completion of mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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. @In accordance with Para 5.7 of SEBI Master Circular on Mutual Funds dated March 20, 2026, the scheme shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. Such investment shall not be included for determining the scheme characteristics as specified in Chapter 3 of SEBI Master Circular on Mutual Funds dated March 20, 2026. In case, the exposure in such liquid assets / securities falls below the SEBI prescribed threshold, the AMC shall ensure compliance with the above requirement before making any further investments

7. Name of the Scheme/s : Franklin India Overnight Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Asset Allocation Pattern*</td><td>
Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Debt & Money Market Instruments including cash & cash equivalent^ with residual maturity up to one business day</td><td>100</td><td>0</td></tr>
</table>
The cumulative gross exposure through debt repo transactions, other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.
Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references*</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>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</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
</table>
</td><td>
Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Debt & Money Market Instruments including cash & cash equivalent^ with residual maturity up to one business day</td><td>100</td><td>0</td></tr>
</table>
The cumulative gross exposure through debt repo transactions, other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

The scheme can deploy, not exceeding, 5% of the net assets of the scheme in G-secs and/or T-bills with a residual maturity of upto 30 calendar days for the purpose of placing the same as margin and collateral for certain transactions.

The Scheme may have exposure in the following:
Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
</table>
</td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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 counterparty can be identified.		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 counterparty can be identified.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	2	**Securitized Debt**	Up to 10% of net assets of the Scheme	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	3	**Derivatives for hedging and rebalancing purposes**	The scheme will not invest in derivatives	Para 12.25 of SEBI Master Circular dated June 27, 2024.				
	4	**Credit default Swaps**		Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27,				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
				2024				
	5	**Covered call options**		Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	6	**Repos/reverse repo in corporate debt securities**	Investment in Repos in corporate debt securities in accordance with the directions issued by RBI and SEBI from time to time. Current limit is upto 10%	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	7	**Overseas Securities**	The scheme will not invest in overseas securities	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	8	**ReITS and InvITs**	The scheme does not intend to invest in units issued by REITs* and InvITs. *Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024 In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025				
					2.	Derivatives	Derivatives for hedging and rebalancing purposes	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					3.	Securitized Debt	Up to 10% of net assets of the Scheme	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					4.	Repo/ reverse repo transactions in corporate debt securities	Investment in Repos in corporate debt securities in accordance with the directions issued by RBI and SEBI from time to time. Current limit is upto 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.	The scheme will not invest in such securities.	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			applicable Regulations, circulars or guidelines issued by SEBI from time to time.			Additional Tier I bonds and Tier 2 bonds issued under Basel III framework)		
	9	**Securities borrowing & Short selling**	The scheme will not engage in securities borrowing or short selling	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	10	**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)**	The scheme will not invest in such securities.	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024	6.	Debt instruments with Credit enhancement/structured obligations	The scheme shall not invest in debt securities having structured obligations (SO rating) and/ or credit enhancements (CE rating) with effect from September 20, 2019. However, debt securities with government guarantee shall be excluded from such restriction. Existing investments, if any in this regard shall be grandfathered.	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	11	**Debt instruments with Credit enhancement/ structured**	The scheme shall not invest in debt securities having structured obligations (SO rating) and/ or credit	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27,	7.	Securities borrowing and Short Selling activities	The scheme will not engage in securities borrowing or short selling	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		obligations	enhancements (CE rating) with effect from September 20, 2019. However, debt securities with government guarantee shall be excluded from such restriction. Existing investments, if any in this regard shall be grandfathered.	2024	8.	Overseas Securities	The scheme will not invest in Overseas Securities	**Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	12	**Units of mutual Fund schemes**	The Scheme may invest in any other scheme without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund.	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996	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**
	13	**Tri-party repos**	upto 100%		10	Units issued by REITs	The scheme will not invest in REITs	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					11	Units of InVITs	The scheme will not invest in the units issued by InvITs	**Para 13.13, 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI**
	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							

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>described above may alter from time to time on a short-term basis on defensive considerations (As per Para 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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 7 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.

NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.</td><td>
<table>
<tr><td></td><td></td><td></td><td>dated May 4, 2026</td></tr>
<tr><td>12</td><td>Units of mutual fund schemes</td><td>The scheme will not invest in Mutual Funds</td><td>Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>upto 100%</td><td>Not applicable</td></tr>
</table>

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</td></tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		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. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.

8. Name of the Scheme/s : Franklin India Liquid Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Asset Allocation Pattern*</td><td>
Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Money Market Instruments</td><td>100</td><td>50</td></tr>
<tr><td>Debentures (investment grade, privately placed etc.)</td><td>50</td><td>0</td></tr>
</table>
The cumulative gross exposure through equity, debt and derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.
The Scheme may have exposure in the following:
Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references*</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>A maximum of 40% of net assets will be deployed in securities lending and the maximum single party exposure will be restricted to 10%# of net assets</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
</table>
</td><td>
Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Money Market Instruments</td><td>100</td><td>50</td></tr>
<tr><td>Debentures (investment grade, privately placed etc.)</td><td>50</td><td>0</td></tr>
</table>
The scheme shall invest in only Debt and money market securities with maturity of upto 91 calendar days.
SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

The cumulative gross exposure through, debt and derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.
The Scheme may have exposure in the following:
Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
</table>
</td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			outstanding at any point of time.					
	2	Securitized Debt	up to 30%	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	3	Derivatives for hedging and rebalancing purposes	maximum of 50% of its AUM	Para 12.25 of SEBI Master Circular dated June 27, 2024.				
	4	Credit default Swaps	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	5	Covered call options	The scheme will not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	6	Repos/reverse repo in corporate debt securities	The scheme shall not invest in Repos/reverse repo in corporate debt securities.	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	7	Overseas Securities	Investments in Foreign Securities as may be permitted by SEBI/RBI upto the limit specified for applicable asset class in the asset allocation table above.	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	8	REITs and InVITS	The scheme does not intend to invest in units issued by REITs* and InvITs.	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
					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 counterparty can be identified.**	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			*Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.	In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025	2.	Derivatives for hedging and rebalancing purposes	maximum of 50% of its AUM	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	9	Securities borrowing & Short selling	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	3.	Securitized Debt	Upto 30% of the net assets	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					4.	Repo/ reverse repo transactions in corporate debt securities	The scheme shall not invest in Repos/reverse repo in corporate debt securities.	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	10	Debt instruments with special	The scheme shall not invest in such securities.	Referred in Para 12.2 of SEBI Master	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	The scheme shall not invest in such securities.	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		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)		Circular on Mutual Funds dated June 27, 2024		and Tier 2 bonds issued under Basel III framework)		
	11	Debt instruments with Credit enhancement/ structured obligations	Investment of the scheme in the following instruments shall not exceed 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 scheme	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024	6.	Debt instruments with Credit enhancement/structured obligations	Investment of the scheme in the following instruments shall not exceed 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 scheme	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	12	Units of mutual Fund schemes	The Scheme may invest in any other scheme with similar investment objectives without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996	7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>
<table>
<tr><td></td><td></td><td>Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund</td><td></td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 100% of net assets</td><td>Not applicable</td></tr>
</table>
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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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 43A of SEBI (Mutual Funds) Regulations, 1996 read with Para 16A.1 of SEBI Master Circular on Mutual Funds dated July 27, 2024 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM as on December 31, 2022 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 starting from December 2023 to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there
</td>
<td>
<table>
<tr><td>8.</td><td>Overseas Securities</td><td>Investments in Overseas Securities as may be permitted by SEBI/RBI upto the limit specified for applicable asset class in the asset allocation table above.</td><td>Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>9.</td><td>Credit Default Swap transactions</td><td>As per applicable regulations</td><td>Para 13.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>10</td><td>Units issued by REITs</td><td>The scheme will not invest in REITs</td><td>Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>11</td><td>Units of InVITs</td><td>The scheme will not invest in the units issued by InvITs</td><td>Para 13.13, 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026</td></tr>
</table>
</td>
</tr>
</table>

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th colspan="4">Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>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 as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.
All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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</td><td colspan="4"><table>
<tr><td>12</td><td>Units of domestic mutual fund schemes</td><td>The scheme will not invest in domestic Mutual Funds</td><td>Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>upto 100%</td><td>Not applicable</td></tr>
</table>
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</td></tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	scheme. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.	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 on 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 as on December 31, 2022 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 starting from December 2023 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 as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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. NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio.

9. Name of the Scheme/s : Franklin India Money Market Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr><tr><th>Maximum</th><th>Minimum</th></tr><tr><td>Money Market Instruments as may be defined by SEBI/ RBI from time to time and Cash</td><td>100</td><td>0</td></tr></table>The cumulative gross exposure through equity, debt and derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

The Scheme may have exposure in the following:
Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)
<table><tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references*</th></tr><tr><td>1</td><td>Securities Lending</td><td>A maximum of 40% of net assets may be</td><td>Para 12.11 of SEBI Master Circular on</td></tr></table></td><td>**A. How will the scheme allocate its assets?**

Under normal market circumstances, the investment range would be as follows:
<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr><tr><th>Maximum</th><th>Minimum</th></tr><tr><td>Money Market Instruments as may be defined by SEBI/ RBI from time to time **having a maturity of upto 1 year and Cash or cash equivalent @**</td><td>100</td><td>0</td></tr></table>The cumulative gross exposure through, debt and derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.

@Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

The Scheme may have exposure in the following:
Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table><tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr></table></td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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 counterparty can be identified.	Mutual Funds dated June 27, 2024	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 counterparty can be identified.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	2	Securitized Debt	The scheme will not invest in Securitized debt	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
					2.	Derivatives for hedging and rebalancing purposes	Upto 50% The cumulative gross exposure through debt and derivative positions should not exceed 100% of the net assets of the Scheme.	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					3.	Securitized Debt	The scheme will not invest in Securitized debt	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					4.	Repo/ reverse repo transactions in corporate debt securities	The scheme shall not invest in Repos/reverse repo in corporate debt securities.	**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	The scheme shall not invest in such securities.	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

3	Derivatives for hedging and rebalancing purposes	Upto 50% The cumulative gross exposure through debt and derivative positions should not exceed 100% of the net assets of the Scheme.	Para 12.25 of SEBI Master Circular dated June 27, 2024.
4	Credit default Swaps	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024
5	Covered call options	The scheme will not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024
6	Repos/reverse repo in corporate debt securities	The scheme shall not invest in Repos/reverse repo in corporate debt securities.	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024
7	Overseas Securities	The scheme will not invest in overseas securities	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024
8	REITs and InvITs	The scheme does not intend to invest in units issued by REITs* and InvITs. *Any potential future	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024 In accordance with the SEBI (Mutual

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.	Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025.		and Tier 2 bonds issued under Basel III framework)		
	9	Securities borrowing & Short selling	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	6.	Debt instruments with Credit enhancement/structured obligations	"Investment in such instruments shall not exceed 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 scheme: a) Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade.; and b) Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
				under said guidelines.			will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	
		10	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)	The scheme will not invest in such securities.	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024	8.	Overseas Securities	The scheme will not invest in overseas securities	**Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
						9.	Credit Default Swap transactions	As per applicable regulations	**Para 13.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
		11	Debt instruments with Credit enhancement/ structured obligations	Investment in such instruments shall not exceed 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 scheme:	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024	10	Units issued by REITs	The scheme will not invest in REITs	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
						11	Units of InVITs	The scheme will not invest in the units issued by InvITs	**Para 13.13, 3.8.2 of SEBI Master Circular on Mutual**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>
<table>
<tr><td></td><td></td><td>a) Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade.; and
b) Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.</td><td></td></tr>
<tr><td>12</td><td>Units of mutual Fund schemes</td><td>The Scheme may invest in any other scheme without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund.</td><td>Schedule 7 of SEBI (Mutual Funds) Regulations, 1996</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>upto 100%</td><td>Not applicable</td></tr>
</table>
It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially (subject to
</td>
<td>
<table>
<tr><td></td><td></td><td></td><td>Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026</td></tr>
<tr><td>12</td><td>Units of mutual fund schemes</td><td>The scheme will not invest in Mutual Funds</td><td>Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>upto 100%</td><td>Not applicable</td></tr>
</table>
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
</td>
</tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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 43A of SEBI (Mutual Funds) Regulations, 1996 read with Para 16A.1 of SEBI Master Circular on Mutual Funds dated June 27, 2024 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM as on December 31, 2022 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 starting from December 2023 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	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 on 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 as on December 31, 2022 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 starting from December 2023 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

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	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 as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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. In accordance with Para 4.6 of SEBI Master Circular on Mutual Funds dated May 19 2023, the scheme shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. Such investment shall not be included for determining the scheme characteristics as specified in Part IV of SEBI Master Circular on Mutual Funds dated June 27, 2024. In case, the exposure in such liquid assets / securities falls below the SEBI	**Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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. **@In accordance with Para 5.7 of SEBI Master Circular on Mutual Funds dated March 20, 2026, the scheme shall hold at least 10% of their net assets in liquid assets. For this purpose, 'liquid assets' shall include Cash, Government Securities, T-bills and Repo on Government Securities. Such investment shall not be included for determining the scheme characteristics as specified in Chapter 3 of SEBI Master Circular on Mutual Funds dated March 20, 2026. In case, the exposure in such liquid assets / securities falls below the SEBI prescribed threshold, the AMC shall ensure compliance with the above requirement before making any further investments.**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>prescribed threshold, the AMC shall ensure compliance with the above requirement before making any further investments.

NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio</td><td>NOTE: The investment under Direct Plans shall have the same portfolio as that of the plan/option under which it is introduced, and hence the same investment objectives and investment pattern as that of the existing respective Scheme/Scheme Portfolio</td></tr>
</table>

10. Name of the Scheme/s : Franklin India Ultra Short Duration Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Category of scheme*</td><td>Ultra Short Duration Fund</td><td>Ultra Short Term Fund</td></tr>
<tr><td>2. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Debt securities*, and Money Market Instruments, cash & cash equivalent</td><td>100</td><td>0</td></tr>
</table>
*including central and state Government Securities upto 100%, Securitised Debt up to 50%

The cumulative gross exposure through equity, debt and derivative positions (including commodity and fixed income derivatives), repo transactions in corporate debt securities, other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time should not exceed 100% of the net assets of the scheme.

The Scheme may have exposure in the following:
Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)</td><td>Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Debt securities*, and Money Market Instruments, cash & cash equivalent</td><td>100</td><td>0</td></tr>
</table>
*including central and state Government Securities upto 100%, Securitised Debt up to 50%

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

The cumulative gross exposure through, debt and derivative positions (including commodity and fixed income derivatives), repo transactions in corporate debt securities, other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time should not exceed 100% of the net assets of the scheme.</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure (% of total assets)</th><th>Circular references</th></tr>
<tr><td></td><td>Securities Lending</td><td>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 counterparty can be identified.</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td></td><td>Debt Derivatives</td><td>Upto 50%
The cumulative gross</td><td>Para 7.5, 7.6 and 12.25 of SEBI Master</td></tr>
</table>
</td><td>
The Scheme may have exposure in the following:
Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
<tr><td>1.</td><td>Securities Lending</td><td>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</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>
</td></tr>
</table>

Particulars	Existing Scheme Features			Proposed Scheme Features (Changes highlighted in Bold)			
			exposure through debt and derivative positions should not exceed 100% of the net assets of the Scheme. Derivatives exposure for non-hedging purposes: Nil	Circular on Mutual Funds dated June 27, 2024			limits can only apply in case of OTC (over the counter) trades where counterparty can be identified.	
		Securitized Debt	Upto 50%	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
		Repo transactions in Corporate debt securities	Upto 10%	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
		Debt instruments with special features	Upto 10% of Net assets and not more than 5% of net assets in instruments issued by a single issuer	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
		Debt instruments with Credit enhancement/ structured obligations	Upto 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 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
		Short Selling in debt instruments	The scheme will not engage in Short selling	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
		Units issued by REITs and InvITs	The scheme does not intend to invest in units	Para 12.21 of SEBI Master Circular on				
					2.	Debt Derivatives	"Upto 50% The cumulative gross exposure through debt and derivative positions should not exceed 100% of the net assets of the Scheme. Derivatives exposure for non-hedging purposes: Nil	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					3.	Securitized Debt	Upto 50% of the net assets	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>
<table>
<tr><td></td><td></td><td>issued by REITs* and InvITs.

*Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.</td><td>Mutual Funds dated June 27, 2024

In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025</td></tr>
<tr><td></td><td>Foreign Securities</td><td>The scheme will not invest in Foreign Securities</td><td>Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td></td><td>Credit Default Swap transactions</td><td>The scheme will not engage in Credit Default Swap Transactions</td><td>Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td></td><td>Units of mutual Fund schemes</td><td>The scheme will not invest in Mutual Fund Units</td><td>Schedule 7 of SEBI (Mutual Funds) Regulations, 1996</td></tr>
</table>
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.</td><td>
<table>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>4.</td><td>Repo/ reverse repo transactions in corporate debt securities</td><td>Upto 10% of net assets</td><td>Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>5.</td><td>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)</td><td>Upto 10% of Net assets and not more than 5% of net assets in instruments issued by a single issuer</td><td>Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>6.</td><td>Debt instruments with Credit enhancement/structured obligations</td><td>Upto 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</td><td>Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>
</td></tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)			
	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 their net assets of the scheme or as 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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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	7.	Securities borrowing and Short Selling activities	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 13.11 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 issued by REITs	The scheme will not invest in REITs	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
		11	Units of InVITs	The scheme will not invest in the units issued by InvITs	**Para 13.13, 3.8.2 of SEBI Master Circular on Mutual**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th colspan="4">Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>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 43A of SEBI (Mutual Funds) Regulations, 1996 read with SEBI circular no. SEBI/HO/IMD/PoD2/P/CIR/2023/129 dated July 27, 2023 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM as on December 31, 2022 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 starting from December 2023 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 as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. In the event of deviation from mandated asset allocation mentioned in the Scheme</td><td colspan="4"><table><tr><td></td><td></td><td></td><td>Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026</td></tr><tr><td>12</td><td>Units of mutual fund schemes</td><td>The scheme will not invest in Mutual Funds</td><td>Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr><tr><td>13</td><td>Tri-party repos</td><td>Upto 100%</td><td>Not applicable</td></tr></table>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 their net assets of the scheme or as 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,</td></tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	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 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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.	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 on 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 as on December 31, 2022 in the units of the

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		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 starting from December 2023 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 as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However,

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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.

11. Name of the Scheme/s : Franklin India Low Duration Fund

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Category of scheme*</td><td>Low Duration Fund</td><td>Ultra Short to Short Term Fund</td></tr>
<tr><td>2. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Debt securities*, and Money Market Instruments, including corporate debt, PSU Bonds, Gilts, cash & cash equivalent</td><td>100</td><td>0</td></tr>
</table>
*including Securitised Debt up to 50%

The Scheme may have exposure in the following:
Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure (% of total assets)</th><th>Circular references</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>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</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
</table></td><td>Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative allocations (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Debt securities*, and Money Market Instruments, including corporate debt, PSU Bonds, Gilts, cash & cash equivalent</td><td>100</td><td>0</td></tr>
</table>
*including Securitised Debt up to 50%

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

The cumulative gross exposure through, debt and derivative positions, repo transactions and credit default swaps in corporate debt securities, Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.
The Scheme may have exposure in the following:
Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
</table></td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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 counterparty can be identified.		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 counterparty can be identified.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	2	Debt Derivatives	Upto 50% The cumulative gross exposure through debt and derivative positions should not exceed 100% of the net assets of the Scheme. Derivatives exposure for non-hedging purposes: Nil	Para 7.5, 7.6 and 12.25 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	3	Securitized Debt	Upto 50%	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	4	Repo transactions in Corporate debt securities	Upto 10%	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	5	Debt instruments with special features	Upto 10% of Net assets and not more than 5% of net assets in instruments issued by a single issuer	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
				dated June 27, 2024	2.	Derivatives for hedging and rebalancing purposes	up to a maximum of 100% of net assets. Investment in derivatives including imperfect hedging using Interest Rate Futures, Interest Rate Swaps and any other derivatives instrument as prescribed by SEBI from time to time. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time.	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	6	Debt instruments with Credit enhancement /structured obligations	Upto 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 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	7	Short Selling in debt instruments	The scheme will not engage in Short Selling.	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	8	Units issued by REITs and InvITs	The scheme will not invest in REITs and InvITs	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024 In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025	3.	Securitized Debt	Upto 50% of the net assets	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	9	Foreign Securities	The scheme will not invest in Foreign Securities	Para 12.19 of SEBI Master	4.	Repo/ reverse repo transactions in corporate debt securities	Upto 10% of net assets	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20,**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
				Circular on Mutual Funds dated June 27, 2024				**2026**
	10	Credit Default Swap transactions	The scheme will not engage in Credit Default Swap Transactions	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024	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)	The scheme may invest in certain 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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	11	Units of mutual Fund schemes	The scheme may invest in schemes of domestic mutual funds including the very short term fixed income funds of Franklin Templeton as made available in the very short term maturity segment	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996				
	Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities. 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 their 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							

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)			
	(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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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 43A of SEBI (Mutual Funds) Regulations, 1996 read with Chapter 16A of SEBI Master Circular for Mutual Funds dated June 27, 2024 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM as on December 31, 2022 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			portfolio of the scheme in such instruments issued by a single issuer	
		6.	Debt instruments with Credit enhancement/structured obligations	Investment of the scheme in the following instruments shall not exceed 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 scheme	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
		7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
		8.	Overseas Securities	The scheme will not invest in Foreign	**Para 13.11 of SEBI Master**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th colspan="4">Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>CDMDF shall be made every six months within 10 working days from the end of half year starting from December 2023 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 as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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.</td><td colspan="4"><table>
<tr><td></td><td></td><td>Securities</td><td>Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>9.</td><td>Credit Default Swap transactions</td><td>As per applicable regulations</td><td>Para 13.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>10</td><td>Units issued by REITs</td><td>The scheme will not invest in REITs</td><td>Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>11</td><td>Units of InVITs</td><td>A maximum of 10% of net assets may be deployed in units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time</td><td>Para 13.13, 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>As per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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</td><td>
<table>
<tr><td>12</td><td>Units of mutual fund schemes</td><td>The scheme will not invest in Mutual Funds</td><td>Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 100%</td><td>Not applicable</td></tr>
</table>

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 their 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</td></tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		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 on 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 as on December 31, 2022 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 starting from December 2023 to ensure 25 bps of scheme

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		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 as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		SEBI Master Circular on Mutual Funds dated March 20, 2026 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.

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Annexure III- Changes in Hybrid Schemes

1. **Name of the Scheme/s : Franklin India Multi Asset Allocation Fund**

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned in bold):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Type of scheme*</td><td>An open-ended fund investing in equity, debt and commodities</td><td>An open ended scheme investing in equity, debt and commodities</td></tr>
<tr><td>2. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:

<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of Net assets)</th></tr><tr><th>Maximum</th><th>Minimum</th></tr><tr><td>Equity and Equity related instruments;</td><td>80</td><td>65</td></tr><tr><td>Debt & Money Market Instruments, cash & cash equivalent@</td><td>25</td><td>10</td></tr><tr><td>Commodities^</td><td>25</td><td>10</td></tr><tr><td>Units issued by REITs and InvITs</td><td>10</td><td>0</td></tr></table>
@includes mutual fund units;
Money Market instruments include commercial papers, commercial bills, treasury bills, Tri-party repo, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, and any other like instruments as specified under applicable regulations from time to time;
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash</td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of Net assets)</th></tr><tr><th>Maximum</th><th>Minimum</th></tr><tr><td>Equity and Equity related instruments;</td><td>80</td><td>65</td></tr><tr><td>Debt & Money Market Instruments, cash & cash equivalent</td><td>25</td><td>10</td></tr><tr><td>Commodities^</td><td>25</td><td>10</td></tr><tr><td>Units issued by Infrastructure Investment Trust (InvITs), mutual fund units</td><td>15</td><td>0</td></tr></table>Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

^Includes Gold ETF, Silver ETF, Exchange Traded Commodity Derivatives (ETCDs) & any other mode of investment in commodities as permitted by SEBI from time to time

The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), and repo transactions in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.</td></tr>
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<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
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Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

^Includes Gold ETF, Silver ETF, Exchange Traded Commodity Derivatives (ETCDs) & any other mode of investment in commodities as permitted by SEBI from time to time

The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), and repo transactions in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references*</th></tr>
<tr><td>12.</td><td>Derivatives including index futures, stock futures, index options, & stock options (including covered call strategy) in line with SEBI guidelines, etc. (excluding</td><td>Upto 50% of net assets of the scheme The Scheme may use derivatives for such purposes as may be permitted by the Regulations,</td><td>Para 12.25 of SEBI Master Circular dated June 27, 2024.</td></tr>
</table>
</td>
<td>
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
<tr><td>1.</td><td>Securities Lending</td><td>Upto 20% of net assets and the maximum single party exposure will be restricted to 5%^ 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 counterparty can be</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>
</td>
</tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		commodities) Debt derivatives including Forward Rate Agreements, Interest Rate Futures and Interest rate swaps.	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. The margin money deployed on derivative positions would be included in Debt & Money Market Instruments. Derivatives exposure for non-hedging purposes: upto 20%				identified.	
					2.	Derivatives including index futures, stock futures, index options, & stock options (including covered call strategy) in line with SEBI guidelines, etc. Debt derivatives including Forward Rate Agreements, Interest Rate Futures and Interest rate swaps.	Upto 50% of net assets of the scheme 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. The margin money deployed on derivative positions would be included in Debt & Money Market Instruments. Derivatives exposure for non-hedging purposes: upto 20%	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
		13.	Securities Lending	Upto 20% of net assets and the maximum single party	Para 12.11 of SEBI Master Circular dated June	3.	Securitized Debt	Upto 20% of net assets of the scheme The Scheme shall not invest in overseas securitized debt	**Chapter 13 of SEBI Master Circular on Mutual Funds dated**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			exposure will be restricted to 5%^ 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	27, 2024.				**March 20, 2026**
					4.	Repo/ reverse repo transactions in corporate debt securities	Upto 10% of net assets of the scheme	**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)	The Scheme shall not invest more than 10% of its NAV of the debt portfolio of the scheme in such instruments having special features or as permitted by SEBI from time to time	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					6.	Debt instruments with Credit enhancement/structured obligations	The total exposure towards Credit Enhancement / structured obligations such as corporate / promoter guarantee etc. shall not exceed 10% of debt portfolio of the Scheme and group exposure shall not exceed 5% of debt	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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 counterparty can be identified.				portfolio of the Scheme.	
	14.	Securitized Debt	Upto 20% of net assets The Scheme shall not invest in foreign securitized debt.	Para 12.15 of SEBI Master Circular dated June 27, 2024.	7.	Securities borrowing and Short Selling activities	The Scheme shall not engage in Securities borrowing and Short Selling activities	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	15.	Exchange Traded Commodity Derivatives	The exposure to ETCDs shall not be more than 25% of the net asset value of the scheme.	Para 12.26 of SEBI Master Circular on Mutual Funds dated June 27, 2024	8.	Overseas Securities	Upto 20% of net assets of the scheme	**Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					9.	Credit Default Swap transactions	As per applicable regulations	**Para 13.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					10	Units issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	16.	Overseas Securities/ETFs	Upto 20% of net assets	Para 12.19 of SEBI Master Circular dated June 27, 2024.	11	Units of InVITs	A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026**
	17.	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)	The Scheme shall not invest more than 10% of its NAV of the debt portfolio of the scheme in such instruments having special features or as permitted by SEBI from time to time.	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024	12	**Units of mutual Fund schemes**	**The scheme may invest in Mutual Fund units to the extent of 25% in Commodity ETF and 15% in other mutual fund schemes subject to prevailing regulatory limits of aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company which shall not exceed 5% of the net asset value of the mutual fund**	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
	18.	Debt instruments having Structured Obligations / Credit Enhancements	The total exposure towards Credit Enhancement / structured obligations	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master				

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>
<table>
<tr><td></td><td></td><td>such as corporate / promoter guarantee etc. shall not exceed 10% of debt portfolio of the Scheme and group exposure shall not exceed 5% of debt portfolio of the Scheme.</td><td>Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td>19.</td><td>Repo/reverse repo transactions in Corporate debt securities</td><td>Upto 10% of net assets</td><td>Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td>20.</td><td>Units of mutual funds</td><td>The scheme may invest in Mutual Fund units including ETFs to the extent of 35% of net assets. This investment is subject to prevailing regulatory</td><td>Schedule 7 of SEBI (Mutual Funds) Regulations, 1996</td></tr>
</table>
</td><td>
<table>
<tr><td>13</td><td>Gold & Silver ETFs & any other mode of investment in commodities as permitted by SEBI from time to time</td><td>The scheme may invest in units issued by Gold ETFs and Silver ETFs, & any other mode of investment in commodities as permitted by SEBI from time to time in line with SEBI regulations</td><td>Para 13.16 of SEBI Master circular for mutual funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 100% of net assets of the scheme</td><td>Not applicable</td></tr>
<tr><td>14</td><td>Exchange Traded Commodity Derivatives (ETCDs)</td><td>The exposure to ETCDs shall not be more than 25% of the net asset value of the scheme</td><td>Para 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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</td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)
			limits of aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company which shall not exceed 5% of the net asset value of the mutual fund.		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. **Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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.
	21.	Credit Default Swap transactions	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024	
	22.	Securities borrowing and Short Selling activities	The Scheme shall not engage in Securi	Para 12.11 of SEBI Master Circular on Mutual	

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)
			ties borrowing and Short Selling activities	Funds dated June 27, 2024	
	23.	Tri-party repos	Upto 100% of net assets	Not applicable	
	24.	ReITS and InVITS	The scheme may invest upto 10% of the net assets of the scheme in units issued by InvITs and not more than 5% of the net assets of the Scheme will be invested in InvITs of any single issuer. Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024. In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025.	

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	<table><tr><td></td><td></td><td>Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.</td><td></td></tr></table> The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time. 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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), keeping in view market conditions,	

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	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. **Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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	

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
3. Any other changes	WHERE WILL THE SCHEME INVEST? Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: B. Equity and Equity related instruments of domestic companies / corporations C. Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) D. Gold ETF, Silver ETF and any other mode of investment in commodities as permitted by SEBI from time to time, E. Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government. F. Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions,	WHERE WILL THE SCHEME INVEST? Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (ii) Equity and Equity related instruments of domestic companies / corporations (jj) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (kk) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government. (ll) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate/entity as may be permitted by SEBI / RBI from time to time (mm) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (nn) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo, Reverse Repo, Treasury Bills, Tri-party Repo and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (oo) Domestic derivatives including including equity, debt and commodities

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	corporations, companies and other bodies corporate/entity as may be permitted by SEBI / RBI from time to time G. Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. H. Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo, Reverse Repo, Treasury Bills, Tri-party Repo and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. I. Domestic derivatives including including equity, debt and commodities as permitted under applicable regulations from time to time. J. Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time K. Repo of corporate debt securitiesDebt Instruments with Credit Enhancement / structured obligations L. Other schemes managed by the AMC or in the schemes of any other mutual funds M. Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) N. Any other domestic debt and money market	as permitted under applicable regulations from time to time. (pp) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (qq)Repo of corporate debt securities (rr) Debt Instruments with Credit Enhancement / structured obligations (ss) Other schemes managed by the AMC or in the schemes of any other mutual funds (tt) Units of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) **(uu) Gold ETF, Silver ETF, ETCDs and any other mode of investment in commodities as permitted by SEBI from time to time,** (vv)Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Overseas Securities may invest in various types of instruments including, but not limited to, any of the following: • Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas • Initial and follow on public offerings for listing at recognised stock exchanges overseas • ADRs / GDRs issued by Indian or Overseas companies • Overseas debt securities (convertible or non-convertible), except foreign securitized debt in the countries with fully convertible currencies • Overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies • Overseas Money market instruments rated not below investment

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: a. Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas b. Initial and follow on public offerings for listing at recognised stock exchanges overseas c. ADRs / GDRs issued by Indian or foreign companies d. Foreign debt securities (convertible or non-convertible), except foreign securitized debt in the countries with fully convertible currencies e. Overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies f. Overseas Money market instruments rated not below investment grade g. Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) h. Foreign government securities where the countries are rated not below investment grade i. Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for	grade • Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) • Overseas government securities where the countries are rated not below investment grade • Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) • Short term deposits with banks overseas where the issuer is rated not below investment grade • Overseas Exchange Traded Funds (ETFs) • units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Overseas Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). • Any other permitted overseas securities / instruments that may be available from time to time. Investment in Overseas Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	hedging and portfolio balancing with underlying as securities) j. Short term deposits with banks overseas where the issuer is rated not below investment grade k. Overseas Exchange Traded Funds (ETFs) l. units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). m. Any other permitted overseas securities / instruments that may be available from time to time. n. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.	
4.	**A. WHERE WILL THE SCHEME INVEST?** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below:	**A. WHERE WILL THE SCHEME INVEST?** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below:

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	• **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, REITs and equity derivatives. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 13. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 14. Debt securities that have been guaranteed by Government of India and State Governments, 15. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 16. Debt securities issued by Public/Private sector banks and development financial institutions, 17. Securitized Debt, Structured Obligations, Credit enhanced Debt, 18. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers	• **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and REITs. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. **Commodities** 1. Gold ETF 2. Silver ETF 3. Exchange Traded Commodity Derivatives (ETCDs) 4. Any other mode of investment in commodities as permitted by SEBI from time to time.	7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. **Commodities** 1. Gold ETF 2. Silver ETF 3. Exchange Traded Commodity Derivatives (ETCDs) 4. Any other mode of investment in commodities as permitted by SEBI from time to time. **Units of Mutual Fund schemes** The scheme may invest in Mutual Fund schemes subject to prevailing regulatory limits of aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company and subject to change basis prevailing regulations. **INFRASTRUCTURE INVESTMENT TRUSTS (INVITS):** In accordance with Para 13.13 of SEBI Master Circular for Mutual Funds dated March 20, 2026 and amendments thereto from time to time, the Scheme may invest in units of Infrastructure Investment Trusts (InvITs) within the stipulated investment limits

2. **Name of the Scheme/s : Franklin India Conservative Hybrid Fund**

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned in bold):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Asset Allocation Pattern*</td><td>
Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets) #</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Fixed Income instruments including Real Estate Investment Trusts (REIT)/ Infrastructure Investment Trust (InvIT), cash and money market instruments</td><td>75</td><td>90</td></tr>
<tr><td>Equity and equity related instruments</td><td>10</td><td>25</td></tr>
</table>
Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references*</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>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.</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
</table>
</td><td>
Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets) #</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Fixed Income and Money market instruments</td><td>75</td><td>90</td></tr>
<tr><td>Equity and equity related instruments</td><td>10</td><td>25</td></tr>
<tr><td>Units issued by Infrastructure Investment Trust (InvITs), Exchange Traded Commodity Derivatives (ETCDs), Gold ETFs, Silver ETFs and mutual fund units</td><td>0</td><td>15</td></tr>
</table>
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.
The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), and repo transactions in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.
Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
</table>
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Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			# 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 counterparty can be identified.		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	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	2	Securitized Debt	Upto 50% of the net assets	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27,				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
				2024			risk.	
	3	Derivatives for hedging and rebalancing purposes	up to a maximum of 50% of net assets. Investment in derivatives including imperfect hedging using Interest Rate Futures shall be in line with the guidelines prescribed by SEBI from time to time. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time.	Para 12.25 of SEBI Master Circular dated June 27, 2024.			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 counterparty can be identified.	
	4	Credit default Swaps	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024	2.	Derivatives for hedging and rebalancing purposes.	up to a maximum of 50% of net assets. Investment in derivatives including imperfect hedging using Interest Rate Futures shall be in line with the guidelines prescribed by SEBI from time to time. The exposure limit	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	5	Covered call options	The Scheme shall not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27,				

<table>
<tr><th>Particulars</th><th colspan="4">Existing Scheme Features</th><th colspan="4">Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td colspan="4"><table>
<tr><td></td><td></td><td></td><td>2024</td></tr>
<tr><td>6</td><td>Repos/reverse repo in corporate debt securities</td><td>Upto 10% of net assets</td><td>Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td>7</td><td>Overseas Securities</td><td>upto 50% of net assets</td><td>Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
<tr><td>8</td><td>ReITS and InVITS</td><td>A maximum of 10% of net assets may be deployed in InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time.

Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and</td><td>Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024.

In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025</td></tr>
</table></td><td colspan="4"><table>
<tr><td></td><td></td><td>per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time.</td><td></td></tr>
<tr><td>3.</td><td>Securitized Debt</td><td>Upto 50% of the net assets of the scheme</td><td>Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>4.</td><td>Repo/ reverse repo transactions in corporate debt securities</td><td>Upto 10% of net assets of the scheme</td><td>Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>5.</td><td>Debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and/or</td><td>The scheme may invest in certain debt instruments with special feature viz.</td><td>Chapter 13 of SEBI Master Circular on Mutual</td></tr>
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Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.			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)	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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10%	**Funds dated March 20, 2026**
	9	Securities borrowing & Short selling	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
							of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer	
	10	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)	The scheme may invest in certain 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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
					6.	Debt instruments with Credit enhancement/structured obligations	Investment of the scheme in the following instruments shall not exceed 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 scheme	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer		7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry out the reviews required under said guidelines.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	11	Debt instruments with Credit enhancement/ structured obligations	Investment of the scheme in the following instruments shall not exceed 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 scheme	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	12	Units of mutual Fund schemes	The Scheme may invest in any other scheme with similar investment objectives without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996	8.	Overseas Securities	upto 50% of net assets of the scheme	**Para 13.11 of SEBI Master Circular on Mutual Funds dated**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
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<tr><td></td><td></td><td>(India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund</td><td></td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 90% of net assets</td><td>Not applicable</td></tr>
</table>

The cumulative gross exposure through equity, debt and derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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
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<table>
<tr><td></td><td></td><td></td><td>March 20, 2026</td></tr>
<tr><td>9.</td><td>Credit Default Swap transactions</td><td>As per applicable regulations</td><td>Para 13.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>10</td><td>Units issued by REITs</td><td>The scheme may invest in units issued by REITs in line with SEBI regulations</td><td>Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>11</td><td>Units of InVITs</td><td>A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time</td><td>Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026</td></tr>
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Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)			
	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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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 43A of SEBI (Mutual Funds) Regulations, 1996 read with Para 16A.1 of SEBI Master Circular on Mutual Funds dated June 27, 2024 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM as on December 31, 2022 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 starting from December 2023 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	12	Units of mutual Fund schemes	The scheme may invest in Mutual Fund units to the extent of 15% subject to prevailing regulatory limits of aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company which shall not exceed 5% of the net asset value of the mutual fund	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
		13	**Gold & Silver ETFs & any other mode of investment in commodities as permitted by SEBI from time to time**	**The scheme may invest in units issued by Gold ETFs and Silver ETFs, & any other mode of investment in commodities as permitted by SEBI from time**	**Para 13.16 of SEBI Master circualr for mutual funds dated March 20, 2026 and FAQs issued by AMFI dated**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
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<td></td>
<td>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 as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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</td>
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<table>
<tr><td></td><td></td><td>to time in line with SEBI regulations</td><td>May 4, 2026</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 90% of net assets of the scheme</td><td>Not applicable</td></tr>
<tr><td>14</td><td>Exchange Traded Commodity Derivatives (ETCDs)</td><td>The exposure to ETCDs shall not be more than 10% of the net asset value of the scheme.</td><td>Para 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>15</td><td>Covered call options</td><td>The Scheme shall not invest in covered call options</td><td>Para 13.5.1 of SEBI Master circualr for mutual funds dated March 20, 2026</td></tr>
</table>

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.
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</td>
</tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		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 on 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 as on December 31, 2022 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 starting from December 2023 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 as per

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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.
2. Any other changes	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations, investment objective and the asset allocation pattern mentioned above, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (b) Securities issued by any domestic government agencies, quasi-	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations, investment objective and the asset allocation pattern mentioned above, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (b) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings,

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (d) Domestic securitised debt, pass through obligations, various types of securitisation issuances including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, single loan securitisation and other domestic securitisation instruments, and so on as may be permitted by SEBI from time to time. (e) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (f) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time (g) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (h) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (i) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)	which may or may not be guaranteed or supported by the Central Government or any state government (c) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (d) Domestic securitised debt, pass through obligations, various types of securitisation issuances including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, single loan securitisation and other domestic securitisation instruments, and so on as may be permitted by SEBI from time to time. (e) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (f) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time (g) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (h) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (i) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (j) Other schemes managed by the AMC or in the schemes of any

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(j) repo of corporate debt securities (k) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (a) foreign debt securities (non-convertible) in the countries with fully convertible currencies (b) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (c) Overseas Money market instruments rated not below investment grade (d) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) (e) Foreign government securities where the countries are rated not below investment grade (f) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) (g) Short term deposits with banks overseas where the issuer is rated not below investment grade (h) Overseas Exchange Traded Funds (ETFs) (i) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed	other mutual funds (k) Units of Corporate Debt Market Development Fund (l) repo of corporate debt securities **(m) ETCDs, Gold ETF, Silver ETF and any other mode of investment in commodities as permitted by SEBI from time to time** (n) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: (a) overseas debt securities (non-convertible) in the countries with fully convertible currencies (b) overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies (c) Overseas Money market instruments rated not below investment grade (d) Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) (e) Overseas government securities where the countries are rated not below investment grade (f) Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities)

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). (j) Units of Corporate Debt Market Development Fund (k) Any other permitted overseas securities / instruments that may be available from time to time. The equity portion of FICHF may be invested in various types of instruments including, but not limited to, any of the following: (i) Equity and Equity linked instruments of domestic companies / corporations (ii) Equity and Equity linked instruments of overseas companies listed on recognised stock exchanges overseas (iii) Initial and follow on public offerings for listing at recognised stock exchanges overseas (iv) ADRs / GDRs issued by Indian or foreign companies (v) foreign debt securities (convertible) in the countries with fully convertible currencies Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, auctions, open market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions	(g) Short term deposits with banks overseas where the issuer is rated not below investment grade (h) Overseas Exchange Traded Funds (ETFs) (i) units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). (j) Any other permitted overseas securities / instruments that may be available from time to time. The equity portion of FICHF may be invested in various types of instruments including, but not limited to, any of the following: (i) Equity and Equity linked instruments of domestic companies / corporations (ii) Equity and Equity linked instruments of overseas companies listed on recognised stock exchanges overseas (iii) Initial and follow on public offerings for listing at recognised stock exchanges overseas (iv) ADRs / GDRs issued by Indian or foreign companies (v) foreign debt securities (convertible) in the countries with fully convertible currencies Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, auctions, open market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		such transactions.
3. Where will the scheme invest?	• **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, REITs and equity derivatives. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 19. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 20. Debt securities that have been guaranteed by Government of India and State Governments, 21. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 22. Debt securities issued by Public/Private sector banks and development financial institutions, 23. Securitized Debt, Structured Obligations, Credit enhanced Debt, 24. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills	• **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and units of ReITS. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.	(TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. **Commodities:** • **ETCDs** • **Gold ETFs** • **Silver ETFs** **Units of Mutual Fund schemes** **The scheme may invest in Mutual Fund schemes subject to prevailing regulatory limits of aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company and subject to change basis prevailing regulations.** **INFRASTRUCTURE INVESTMENT TRUSTS (INVITS):** In accordance with Para 13.13 of SEBI Master Circular for Mutual Funds dated March 20, 2026 and amendments thereto from time to time, the Scheme may invest in units of Infrastructure Investment Trusts (InvITs) within the stipulated investment limits
4. Custodian	Hongkong and Shanghai Banking Corporation Limited (HSBC) 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001	For securities: Hongkong and Shanghai Banking Corporation Limited (HSBC) 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001 **Professional Clearing Member (PCM) and Custodian for ETCDs and physical commodities** **Orbis Financial Corporation Ltd,** **Office at 4A, Ocus Technopolis,** **Sector 54, Golf Club Road, Gurgaon 122 002, Haryana,**

3. **Name of the Scheme/s : Franklin India Aggressive Hybrid Fund**

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Type of scheme</td><td>An open-ended hybrid scheme predominantly in equity and equity related instruments</td><td>An open ended hybrid scheme investing predominantly in equity and equity related instruments</td></tr>
<tr><td>2. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr><tr><th>Minimum</th><th>Maximum</th></tr><tr><td>Equities and Equity related Securities</td><td>65</td><td>80</td></tr><tr><td>Fixed Income and Money market instruments and Real Estate Investment Trusts (REIT)/ Infrastructure Investment Trust (InvIT)</td><td>20</td><td>35</td></tr></table>
The cumulative gross exposure through equity, debt and derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):</td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr><tr><th>Minimum</th><th>Maximum</th></tr><tr><td>Equities and Equity related Securities</td><td>65</td><td>80</td></tr><tr><td>Fixed Income and Money market instruments and</td><td>20</td><td>35</td></tr><tr><td>Units issued by Infrastructure Investment Trust (InvITs), Exchange Traded Commodity Derivatives (ETCDs), Gold ETFs, Silver ETFs and mutual fund units</td><td>0</td><td>15</td></tr></table>
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.
The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), and repo transactions in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.
Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table><tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr></table></td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references*</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>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</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
</table>
</td>
<td>
<table>
<tr><td>1.</td><td>Securities Lending</td><td>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</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>
</td>
</tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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 counterparty can be identified.				not apply to trades on Stock Exchange platform. Single party exposure limits can only apply in case of OTC (over the counter) trades where counterparty can be identified.	
	2	**Securitized Debt**	up to a maximum limit of 35%	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	3	**Derivatives for hedging and rebalancing purposes**	Derivatives up to a maximum of 50% of net assets. Investment in derivatives including imperfect hedging using Interest Rate Futures shall be in line with the	Para 12.25 of SEBI Master Circular dated June 27, 2024.	2.	Derivatives for hedging and rebalancing purposes.	up to a maximum of 50% of net assets. Investment in derivatives including imperfect hedging using Interest Rate Futures shall be in line with the guidelines prescribed by SEBI from time to time. The exposure limit per scrip/ instrument shall be to the extent permitted by the SEBI Regulation for the time being in	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			guidelines prescribed by SEBI from time to time. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force.				force. These limits will be reviewed by the AMC from time to time.	
	4	**Credit default Swaps**	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024	3.	Securitized Debt	up to a maximum limit of 35% of the net assets of the scheme	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	5	**Covered call options**	The Scheme shall not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual Funds dated June 27, 2024	4.	Repo/ reverse repo transactions in corporate debt securities	Upto 10% of net assets of the scheme	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	6	**Repos/reverse repo in corporate debt securities**	Upto 10% of net assets	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024	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.	The scheme may invest in certain debt instruments with special feature viz. subordination to equity (absorbs losses before equity capital) and /or convertible to	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
	7	**Overseas Securities**	upto 20% of net assets	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024		Additional Tier I bonds and Tier 2 bonds issued under Basel III framework)	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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer	
	8	**ReITS and InVITS**	A maximum of 10% of net assets may be deployed in InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time. Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds)	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024. In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025.				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			(Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.		6.	Debt instruments with Credit enhancement/structured obligations	Investment of the scheme in the following instruments shall not exceed 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 scheme	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	9	**Securities borrowing & Short selling**	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	7.	Securities borrowing and Short Selling activities	If permitted by SEBI Regulations, the Scheme may engage in short selling of securities in accordance with the guidelines issued by SEBI. Short sale of securities means selling of securities without owning them. The AMC will comply with the guidelines issued by SEBI in this behalf, including reporting obligations and the Trustee will carry	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			reporting obligations and the Trustee will carry out the reviews required under said guidelines.				out the reviews required under said guidelines.	
	10	**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)**	The scheme may invest in certain 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) subject to the following: a) Franklin Templeton	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024	8.	Overseas Securities	upto 20% of net assets of the scheme	**Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					9.	Credit Default Swap transactions	As per applicable regulations	**Para 13.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					10	Units issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					11	Units of InVITs	A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest: a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer				issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time	**March 20, 2026 and FAQ issued by AMFI dated May 4, 2026**
	11	**Debt instruments with Credit enhancement/ structured obligations**	Investment of the scheme in the following instruments shall not exceed 10% of the debt portfolio of the scheme and the Group exposure	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual	12	Units of mutual Fund schemes	The scheme may invest in Mutual Fund units to the extent of 15% subject to prevailing regulatory limits of aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company which shall not exceed 5% of the net asset value of the mutual fund	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
					13	**Gold & Silver ETFs & any other mode of investment in commodities as permitted by SEBI from**	**The scheme may invest in units issued by Gold ETFs and Silver ETFs, & any other**	**Para 13.16 of SEBI Master circualr for mutual funds dated**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			in such instruments shall not exceed 5% of the debt portfolio of the scheme	Funds dated June 27, 2024		**time to time**	**mode of investment in commodities as permitted by SEBI from time to time in line with SEBI regulations**	**March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
	12	**Units of mutual Fund schemes**	The Scheme may invest in any other scheme with similar investment objectives without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996	13	Tri-party repos	Upto 35% of net assets of the scheme	**Not applicable**
					14	**Exchange Traded Commodity Derivatives (ETCDs)**	**The exposure to ETCDs shall not be more than 10% of the net asset value of the scheme.**	**Para 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					15	Covered call options	The Scheme shall not invest in covered call options	**Para 13.5.1 of SEBI Master circualr for mutual funds dated March 20, 2026**
					The above percentages will be reckoned at the time of investment and the above allocation is based on a steady state situation. The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time. 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			

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)

13	**Tri-party repos**	Upto 35% of net assets	Not applicable

The above percentages will be reckoned at the time of investment and the above allocation is based on a steady state situation.

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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.

Portfolio Rebalancing

In the event of deviations the portfolio will be rebalanced as

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.

Portfolio Rebalancing

In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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	
3. Any other changes	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (g) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (h) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other	(c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (g) Domestic derivatives including stock and index futures and options and any other derivative instruments as permitted by SEBI from time to time (h) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time. (i) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (j) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (k) repo of corporate debt securities**(k) ETCDs, Gold ETF, Silver ETF and any other mode of investment in commodities as permitted by SEBI**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	derivative instruments are permitted by SEBI from time to time. (i) Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time (j) Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) (k) repo of corporate debt securities (l) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions. **Foreign Securities:** The Scheme may invest in various types of instruments including, but not limited to, any of the following: • Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas • Initial and follow on public offerings for listing at recognised stock exchanges overseas • ADRs / GDRs issued by Indian or foreign companies	**from time to time**Other schemes managed by the AMC or in the schemes of any other mutual funds (l) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. **Overseas Securities:** The Scheme may invest in various types of instruments including, but not limited to, any of the following: • Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas • Initial and follow on public offerings for listing at recognised stock exchanges overseas • ADRs / GDRs issued by Indian or foreign companies • overseas debt securities (convertible or non-convertible) in the countries with fully convertible currencies • overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies • Overseas Money market instruments rated not below investment grade • Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) • Foreign government securities where the countries are rated not below investment grade • Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) • Short term deposits with banks overseas where the issuer is rated not below investment grade

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	• foreign debt securities (convertible or non-convertible) in the countries with fully convertible currencies • overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies • Overseas Money market instruments rated not below investment grade • Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) • Foreign government securities where the countries are rated not below investment grade • Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) • Short term deposits with banks overseas where the issuer is rated not below investment grade • Overseas Exchange Traded Funds (ETFs) • units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). • Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be in accordance	• Overseas Exchange Traded Funds (ETFs) • units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). • Any other permitted overseas securities / instruments that may be available from time to time. Investment in Overseas Securities shall be in accordance with the guidelines issued by SEBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	with the guidelines issued by SEBI from time to time.	
4. Where will the scheme invest?	• **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and REITs. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:**	• **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and REITs. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.	5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. **Commodities:** • **ETCDs** • **Gold ETFs** • **Silver ETFs** **Units of Mutual Fund schemes** **The scheme may invest in Mutual Fund schemes subject to prevailing regulatory limits of aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company and subject to change basis prevailing regulations.** **INFRASTRUCTURE INVESTMENT TRUSTS (INVITS):** In accordance with Para 13.13 of SEBI Master Circular for Mutual Funds dated March 20, 2026 and amendments thereto from time to time, the Scheme may invest in units of Infrastructure Investment Trusts (InvITs) within the stipulated investment limits
5. **Custodians**	Hongkong and Shanghai Banking Corporation Limited (HSBC) 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001	For Securities Hongkong and Shanghai Banking Corporation Limited (HSBC) 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001 **Professional Clearing Member (PCM) and Custodian for ETCDs and physical commodities** **Orbis Financial Corporation Ltd,** **Office at 4A, Ocus Technopolis,** **Sector 54, Golf Club Road, Gurgaon 122 002, Haryana**

4. **Name of the Scheme/s : Franklin India Balanced Advantage Fund**

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Type of scheme</td><td>An open-ended dynamic asset allocation fund</td><td>An open ended dynamic asset allocation fund investing in debt and equity instruments only</td></tr>
<tr><td>2. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr><tr><th>Minimum</th><th>Maximum</th></tr><tr><td>Equities and Equity related Securities (Including Foreign Securities)</td><td>0</td><td>100</td></tr><tr><td>Debt & Money Market Instruments (including foreign securities) including cash & cash equivalent</td><td>0</td><td>100</td></tr></table>
The cumulative gross exposure through equity, debt and derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):</td><td>Under normal market circumstances, the investment range would be as follows:
<table><tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr><tr><th>Minimum</th><th>Maximum</th></tr><tr><td>Equities and Equity related Securities (Including Overseas Securities)</td><td>0</td><td>100</td></tr><tr><td>Debt & Money Market Instruments (including overseas securities) including cash & cash equivalent</td><td>0</td><td>100</td></tr></table>
Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.
The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), and repo transactions in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.
Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table><tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr></table></td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>A maximum of A maximum of 20% of net assets may be deployed in securities lending and the maximum single party exposure may be restricted to 5%# 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</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
</table>
</td>
<td>
<table>
<tr><td>1.</td><td>Securities Lending</td><td>A maximum of 20% of net assets may be deployed in securities lending and the maximum single party exposure may be restricted to 5%# 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 counterparty can be identified.</td><td>Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>
</td>
</tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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 counterparty can be identified.		2.	Derivatives for hedging and rebalancing purposes.	up to a maximum of 50% of net assets. Investment in derivatives including imperfect hedging using Interest Rate Futures shall be in line with the guidelines prescribed by SEBI from time to time. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time.	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	2	Securitized Debt	Upto 20% of the net assets	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024	3.	Securitized Debt	Upto 20% of the net assets of the scheme	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	3	Derivatives for hedging and rebalancing	up to a maximum of 50% of its AUM The cumulative	Para 12.25 of SEBI Master Circular dated June	4.	Repo/ reverse repo transactions in corporate debt securities	Upto 10% of net assets of the scheme	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		purposes	gross exposure through equity, debt, derivative positions (including fixed income derivatives), repo transactions in corporate debt securities, other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time should not exceed 100% of the net assets of the scheme.	27, 2024.				
	4	Credit default Swaps	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	5	Covered call options	The Scheme shall not invest in covered call options	Para 12.25.8 of SEBI Master Circular on Mutual				
					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)	The Scheme shall not invest more than 10% of its NAV of the debt portfolio of the scheme in such instruments having special features or as permitted by SEBI from time to time.	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					6.	Debt instruments with Credit enhancement/structured obligations	The total exposure towards Credit Enhancement / structured obligations such as corporate / promoter guarantee etc. shall not exceed 10% of debt portfolio of the Scheme and group exposure shall not exceed 5% of debt portfolio of the Scheme	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					7.	Securities borrowing and Short Selling activities	The Scheme shall not engage in securities borrowing and short selling activities.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
				Funds dated June 27, 2024				
	6	Repos/reverse repo in corporate debt securities	Upto 10% of net assets	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	7	Overseas Securities	Investments in foreign securities including ADRs / GDRs / Foreign equity and debt securities shall not exceed 20% of the net assets of the Scheme	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024	8.	Overseas Securities	Investments in overseas securities including ADRs / GDRs / Overseas equity and debt securities shall not exceed 20% of the net assets of the Scheme	**Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	8	REITs and InvITs	The scheme does not intend to invest in units issued by REITs* and InvITs. *Any potential future investment in units of Real Estate Investment	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024 In accordance with the SEBI (Mutual Funds)	9.	Credit Default Swap transactions	As per applicable regulations	**Para 13.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					10	Units issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					11	**Units of InVITs**	**The scheme will not invest in units issued by INVITs in line with SEBI regulations**	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time. .	(Second Amendment) Regulations, 2025, notified on October 31, 2025	12	**Units of mutual Fund schemes**	**The scheme will not invest in units of mutual fund schemes**	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
	9	Securities borrowing & Short selling	The Scheme shall not engage in securities borrowing and short selling activities.	Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024	13	**Gold & Silver ETFs & any other mode of investment in commodities as permitted by SEBI from time to time**	**The scheme will not invest in units issued by Gold ETFs and, Silver ETFs in line with current SEBI regulations, subject to change prevailing regulations**	**Para 13.16 of SEBI Master circular for mutual funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
	10	Debt instruments with special features viz. subordination	The Scheme shall not invest more than 10% of its NAV of the debt	Referred in Para 12.2 of SEBI Master Circular on Mutual	13	Tri-party repos	upto 100% of net assets of the scheme	**Not applicable**
					14	**Exchange Traded Commodity Derivatives**	**The scheme will not invest in ETCDs as**	**Para 13.16 of SEBI Master**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td>
<table>
<tr><td></td><td>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)</td><td>portfolio of the scheme in such instruments having special features or as permitted by SEBI from time to time.</td><td>Funds dated June 27, 2024</td></tr>
<tr><td>11</td><td>Debt instruments with Credit enhancement/ structured obligations</td><td>The total exposure towards Credit Enhancement / structured obligations such as corporate / promoter guarantee etc. shall not exceed 10% of debt portfolio of the Scheme and group exposure shall not exceed</td><td>Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
</table>
</td><td>
<table>
<tr><td></td><td>(ETCDs)</td><td>per current regulations, subject to change prevailing regulations</td><td>Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>15</td><td>Covered call options</td><td>The Scheme shall not invest in covered call options</td><td>Para 13.5.1 of SEBI Master circualr for mutual funds dated March 20, 2026</td></tr>
</table>
The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.
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.

Usage of Short Term Deposits
Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short</td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)
			5% of debt portfolio of the Scheme.		term deposits of the Scheduled Commercial Banks, subject to the guidelines issued in line with Para 13.7 of SEBI Master Circular on Mutual Funds dated March 20, 2026, as may be amended from time to time. Subject to the Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. These proportions can vary substantially depending upon the perception of the fund manager; the intention being at all times to seek to protect the interests of the Unit holders. Para 1.9.1b(ii) of SEBI Master circular on Mutual Funds dated March 20, 2026 such changes in the investment pattern will be for short term and for defensive considerations only and shall be rebalanced within 7 calendar days from date of deviation. **Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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
		12	Units of mutual Fund schemes	The scheme may invest in Mutual Fund units including ETFs to the extent of 35% of net assets. This investment is subject to prevailing regulatory limits of aggregate inter-scheme investment made by all schemes under the same management or in schemes under the management of any other asset management company which shall not exceed 5% of the net asset value of the mutual fund.	Schedule 7 of SEBI (Mutual Funds) Regulations, 1996	

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)

13	Tri-party repos	upto 100% of net assets	Not applicable

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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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 7 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.

Usage of Short Term Deposits
Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks, subject to the guidelines issued in line with Para 4.5 of SEBI Master Circular on Mutual Funds dated June 27, 2024, as may be amended from time to time.
Subject to the Regulations, the asset allocation pattern

scheme.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations and political and economic factors. These proportions can vary substantially depending upon the perception of the fund manager; the intention being at all times to seek to protect the interests of the Unit holders. As per Para 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024 such changes in the investment pattern will be for short term and for defensive considerations only and shall be rebalanced within 7 calendar days from date of deviation. **Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual	

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	Funds dated June 27, 2024 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	

5. **Name of the Scheme/s : Franklin India Equity Savings Fund**

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Type of scheme</td><td>An open-ended hybrid scheme predominantly in equity and equity related instruments</td><td>An open ended hybrid scheme investing predominantly in equity and equity related instruments</td></tr>
<tr><td>2. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Equity and Equity related securities</td><td>90</td><td>65</td></tr>
<tr><td>Of which Net Long Equity*</td><td>65</td><td>15</td></tr>
<tr><td>Of which Equity Derivatives</td><td>75</td><td>0</td></tr>
<tr><td>Debt & Money Market Instruments including cash & cash equivalent</td><td>35</td><td>10</td></tr>
<tr><td>Units issued by REITs & InvITs</td><td>10</td><td>0</td></tr>
</table>
Under defensive circumstances, the asset allocation pattern will be:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Equity and Equity related securities</td><td>90</td><td>65</td></tr>
<tr><td>Of which Net Long Equity*</td><td>65</td><td>15</td></tr>
<tr><td>Of which Equity Derivatives</td><td>75</td><td>0</td></tr>
<tr><td>Debt & Money Market</td><td>35</td><td>10</td></tr>
</table></td><td>Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Equity and Equity related securities</td><td>90</td><td>65</td></tr>
<tr><td>- Of which Net Long Equity*</td><td>40</td><td>15</td></tr>
<tr><td>- Of which Equity Derivatives</td><td>90</td><td>25</td></tr>
<tr><td>- Of which Arbitrage exposure</td><td>75</td><td>10</td></tr>
<tr><td>Debt & Money Market Instruments including cash & cash equivalent</td><td>35</td><td>10</td></tr>
<tr><td>Units issued by Infrastructure Investment Trust (InvITs), Exchange Traded Commodity Derivatives (ETCDs), Gold ETFs Silver ETFs and mutual fund units</td><td>25</td><td>0</td></tr>
</table>
Under defensive circumstances, the asset allocation pattern will be:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of total assets)</th></tr>
<tr><th>Maximum</th><th>Minimum</th></tr>
<tr><td>Equity and Equity related securities</td><td>65</td><td>15</td></tr>
<tr><td>- Of which Net Long Equity*</td><td>15</td><td>0</td></tr>
<tr><td>- Of which Equity Derivatives</td><td>65</td><td>0</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>
<table>
<tr><td>Instruments including cash & cash equivalent</td><td></td><td></td></tr>
<tr><td>Units issued by InvITs</td><td>10</td><td>0</td></tr>
</table>

* Net long equity exposure is a directional equity exposure that will not be hedged. This equity exposure means exposure to equity shares alone without a corresponding equity derivative exposure.

The cumulative gross exposure through equity, debt and derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme.
Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references*</th></tr>
<tr><td>1</td><td>Securities Lending</td><td>A maximum of 20% of net assets may be deployed in securities lending and the maximum single party exposure may be restricted to 5%# of net assets</td><td>Para 12.11 of SEBI Master Circular on Mutual Funds dated June 27, 2024</td></tr>
</table>
</td>
<td>
<table>
<tr><td>- Of which Arbitrage exposure</td><td>65</td><td>0</td></tr>
<tr><td>Debt & Money Market Instruments including cash & cash equivalent</td><td>85</td><td>35</td></tr>
<tr><td>Units issued by Infrastructure Investment Trust (InvITs), Exchange Traded Commodity Derivatives (ETCDs), Gold ETFs, Silver ETFs and mutual fund units</td><td>25</td><td>0</td></tr>
</table>

<table>
<tr><th>Minimum Hedged and unhedged exposure</th><th>Hedged</th><th>Unhedged</th></tr>
<tr><td>Under normal market circumstances</td><td>25%</td><td>15%</td></tr>
<tr><td>Under defensive considerations</td><td>0%</td><td>0%</td></tr>
</table>

Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. SEBI vide letter dated November 3, 2021 has clarified that Cash Equivalent shall consist of Government Securities, T-Bills and Repo on Government Securities.
* Net long equity exposure is a directional equity exposure that will not be hedged. This equity exposure means exposure to equity shares alone without a corresponding equity derivative exposure.

The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), and repo transactions in corporate debt securities, Real Estate Investment Trusts (REITs), Infrastructure Investment Trusts (InvITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. No</th><th>Type of Instrument</th><th>Percentage of Exposure (% of total assets)</th><th>Circular References</th></tr>
</table>
</td>
</tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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 Exch nge platform. Single party exposure limits can only apply		1.	Securities Lending	A maximum of 20% of net assets may be deployed in securities lending and the maximum single party exposure may be restricted to 5%# 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 Exch	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			in case of OTC (over the counter) trades where counterparty can be identified.				nge platform. Single party exposure limits can only apply in case of OTC (over the counter) trades where counterparty can be identified.	
	2	Securitized Debt	Upto 20% of the net assets. The Scheme shall not invest in foreign securitised debt.	Para 12.15 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	3	Derivatives	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. The	Para 12.25 of SEBI Master Circular dated June 27, 2024.	2.	Derivatives **including index futures, stock futures, index options, & stock options (including covered call strategy) in line with SEBI guidelines, etc.** **Debt derivatives including Forward Rate Agreements, Interest Rate Futures and Interest rate swaps**	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. The margin money deployed on derivative	**Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	margin money deployed on derivative positions would be included in Debt & Money Market Instruments. The cumulative gross exposure through equity, debt and derivative positions shall not exceed 100% of the net assets of the scheme. The Scheme may also use fixed income derivative instruments (including imperfect hedging using Interest Rate Futures) subject to the guidelines as may be issued by SEBI and RBI	positions would be included in Debt & Money Market Instruments. The cumulative gross exposure through equity, debt and derivative positions shall not exceed 100% of the net a sets of the scheme. The Scheme may also use fixed income derivative instruments (including imperfect hedging using Interest Rate Futures) subject to the guidelines as may be issued by SEBI and RBI and for such purposes as may be permitted from time to time. The maximum allocation to derivatives, both hedged and unhedged shall remain within the

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			and for such purposes as may be permitted from time to time. The maximum allocation to derivatives, both hedged and unhedged shall remain within the equity and debt exposure limits specified in the asset allocation table. Derivative positions taken for non hedging purposes shall be restricted to a maximum of 20% of the net assets				equity and debt exposure limits specified in the asset allocation table. Derivative positions taken for non hedging purposes shall be restricted to a maximum of 20% of the net assets.	
	4	Credit default Swaps	As per applicable regulations	Para 12.28 of SEBI Master Circular on Mutual Funds dated June 27, 2024	3.	Securitized Debt	Upto 20% of the net assets. The Scheme shall not invest in overseas securitised debt.	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	5	Covered call options	The scheme will invest in covered call	Para 12.25.8 of SEBI Master	4.	Repo/ reverse repo transactions in corporate debt securities	Upto 10% of net assets of the scheme	**Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			options as per the guidelines issued by SEBI	Circular on Mutual Funds dated June 27, 2024	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)	The scheme may invest in certain 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) subject to the following: a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest a. more than 10%	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
		6	Repos/reverse repo in corporate debt securities	Upto 10% of net assets	Para 12.18 of SEBI Master Circular on Mutual Funds dated June 27, 2024			
		7	Overseas Securities	Investments in foreign securities including ADRs / GDRs / Foreign equity and debt securities shall not exceed 50% of the net assets of the Scheme	Para 12.19 of SEBI Master Circular on Mutual Funds dated June 27, 2024			
		8	REITs and InvITs	A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits	Para 12.21 of SEBI Master Circular on Mutual Funds dated June 27, 2024. In accordance with the SEBI (Mutual Funds) (Second Amendment)			

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			permitted by SEBI from time to time. Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.	Regulations, 2025, notified on October 31, 2025			of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer	
					6.	Debt instruments with Credit enhancement/structured obligations	Investment of the scheme in the following instruments shall not exceed 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 scheme	**Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
					7.	Securities borrowing and Short Selling activities	The Scheme shall not engage in securities borrowing and short selling activities.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	9	Securities borrowing &	The Scheme shall not engage	Para 12.11 of SEBI Master	8.	Overseas Securities	Investments in overseas overseas securities including	**Para 13.11 of SEBI Master Circular on**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		Short selling	in securities borrowing and short selling activities.	Circular on Mutual Funds dated June 27, 2024			ADRs / GDRs /Overseas equity and debt securities shall not exceed 50% of the net assets of the Scheme	**Mutual Funds dated March 20, 2026**
	10	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)	The scheme may invest in certain 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) subject to the following: a) Franklin Templeton Mutual Fund, under all its	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024		9.	Credit Default Swap transactions	As per applicable regulations	**Para 13.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
						10	Units issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
						11	Units of InVITs	A maximum of 10% of net assets may be deployed in Units issued by InvITs and the maximum single issuer exposure may be restricted to 5% of net assets or upto the limits permitted by SEBI from time to time	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026**

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			schemes shall not own more than 10% of such instruments issued by a single issuer b) A Mutual Fund scheme shall not invest a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer		12	Units of mutual Fund schemes	The scheme may invest in Mutual Fund units to the extent of 25% subject to prevailing regulatory limits of aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company which shall not exceed 5% of the net asset value of the mutual fund	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.83.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
	11	Debt instruments with Credit enhancement/ structured obligations	Investment of the scheme in the following instruments shall not exceed 10% of the debt portfolio of the scheme and the	Para 4.5.3 (for Overnight & Liquid fund)/ Para 12.3 of SEBI Master Circular on Mutual	13	**Gold & Silver ETFs & any other mode of investment in commodities as permitted by SEBI from time to time**	**The scheme may invest in units issued by Gold ETFs and Silver ETFs, & any other mode of investment in commodities as permitted by SEBI from time to time in line with SEBI regulations**	**Para 13.16 of SEBI Master circualr for mutual funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr>
<td></td>
<td>
<table>
<tr><td></td><td></td><td>Group exposure in such instruments shall not exceed 5% of the debt portfolio of the scheme</td><td>Funds dated June 27, 2024</td></tr>
<tr><td>12</td><td>Units of mutual Fund schemes</td><td>The Scheme may invest in any other scheme without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund.</td><td>Schedule 7 of SEBI (Mutual Funds) Regulations, 1996</td></tr>
<tr><td>13</td><td>Tri-party repos</td><td>upto 35%</td><td>Not</td></tr>
</table>
</td>
<td>
<table>
<tr><td>13</td><td>Tri-party repos</td><td>Upto 35% of net assets of the scheme (Under normal circumstances)</td><td>Not applicable</td></tr>
<tr><td>14</td><td>Exchange Traded Commodity Derivatives (ETCDs)</td><td>The exposure to ETCDs shall not be more than 10% of the net asset value of the scheme.</td><td>Para 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table>
The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.
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.
Portfolio Rebalancing
In the event of deviations the portfolio will be rebalanced as per Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular on Mutual Funds dated March 20, 2026. In the event of
</td>
</tr>
</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)

		(Under normal circumstances)	applicable

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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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.

Portfolio Rebalancing
In the event of deviations the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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

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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.
All the reporting and disclosure requirements as mentioned in Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 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.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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.	
3. Any other changes	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Securities issued by any government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state	**WHERE WILL THE SCHEME INVEST?** Subject to the SEBI Regulations and the asset allocation pattern mention above, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Securities issued by any government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government (d) Non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	government (d) Non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPS, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (g) Domestic derivatives include stock futures, index futures, stock options, index options, writing of call options under a covered call strategy, Interest Rate Futures, Interest rate swaps, forward rate agreement, imperfect hedging and other derivative instruments as permitted by SEBI from time to time. (h) Deposits with banks and other bodies corporate as may be permitted by SEBI from time to time (i) Units issued by REITs and InVTs (j) Repo transactions in Corporate Debt Securities	coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate as may be permitted by SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPS, Repo, Reverse Repo, Treasury Bills and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (g) Domestic derivatives include stock futures, index futures, stock options, index options, writing of call options under a covered call strategy, Interest Rate Futures, Interest rate swaps, forward rate agreement, imperfect hedging and other derivative instruments as permitted by SEBI from time to time (h) Deposits with banks and other bodies corporate as may be permitted by SEBI from time to time (i) Units issued by REITs and InViTs (j) Repo transactions in Corporate Debt Securities (k) ADRs / GDRs issued by Indian / overseas companies and overseas Securities **(l) ETCDs, Gold ETF, Silver ETF and any other mode of investment in commodities as permitted by SEBI from time to time** (m) Other schemes managed by the AMC or in the schemes of any other mutual funds (n) Any other debt and money market instruments that may be available or

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	(k) ADRs / GDRs issued by Indian / foreign companies and foreign Securities (l) Any other debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI / RBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: • Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas • Initial and follow on public offerings for listing at recognised stock exchanges overseas • ADRs / GDRs issued by Indian or foreign companies • Foreign debt securities (convertible or non-convertible), except foreign securitized debt in the countries with fully convertible currencies • Overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies • Overseas Money market instruments rated not below investment grade • Overseas repos in the form of investment, where the counterparty is rated not below investment	evolve with the development of the securities markets and as may be permitted by SEBI / RBI from time to time. Further, the scheme investing in Foreign Securities may invest in various types of instruments including, but not limited to, any of the following: • Equity and Equity related instruments of overseas companies listed on recognised stock exchanges overseas • Initial and follow on public offerings for listing at recognised stock exchanges overseas • ADRs / GDRs issued by Indian or foreign companies • Foreign debt securities (convertible or non-convertible), except foreign securitized debt in the countries with fully convertible currencies • Overseas short term as well as long term debt instruments with rating not below investment grade by accredited/registered credit rating agencies • Overseas Money market instruments rated not below investment grade • Overseas repos in the form of investment, where the counterparty is rated not below investment grade (repos shall not however, involve any borrowing of funds by the Scheme) • Foreign government securities where the countries are rated not below investment grade • Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) • Short term deposits with banks overseas where the issuer is rated not below investment grade • Overseas Exchange Traded Funds (ETFs) • units/securities issued by overseas mutual funds or unit trusts

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	grade (repos shall not however, involve any borrowing of funds by the Scheme) • Foreign government securities where the countries are rated not below investment grade • Overseas derivatives traded on recognized stock exchanges overseas (currently permitted only for hedging and portfolio balancing with underlying as securities) • Short term deposits with banks overseas where the issuer is rated not below investment grade • Overseas Exchange Traded Funds (ETFs) • units/securities issued by overseas mutual funds or unit trusts registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). • Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs),	registered with overseas regulators and investing in permitted Foreign Securities, Real Estate Investment Trusts (REITs) listed in recognized stock exchanges overseas or unlisted overseas securities (not exceeding 10% of their net assets). • Any other permitted overseas securities / instruments that may be available from time to time. Investment in Foreign Securities shall be made in accordance with the guidelines issued by SEBI and RBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions. .	
4. Where will the scheme invest?	• **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and REITs. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares.	• **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, equity derivatives and REITs. • **Debt Securities:** Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	• **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time	1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time. **Commodities:** • **ETCDs** • **Gold ETFs** • **Silver ETFs** **Units of Mutual Fund schemes** **The scheme may invest in Mutual Fund schemes subject to prevailing regulatory limits of aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company and subject to change basis prevailing regulations.** **InvITs** In accordance with Para 13.13 of SEBI Master Circular for Mutual Funds dated March 20, 2026 and amendments thereto from time to time, the Scheme may invest in units of Infrastructure Investment Trusts (InvITs) within the stipulated investment limits
5. **Custodians**	Hongkong and Shanghai Banking Corporation Limited (HSBC) 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001	• **For Securities** Hongkong and Shanghai Banking Corporation Limited (HSBC) 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001 **Professional Clearing Member (PCM) and Custodian for ETCDs and**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
		physical commodities **Orbis Financial Corporation Ltd,** **Office at 4A, Ocus Technopolis,** **Sector 54, Golf Club Road, Gurgaon 122 002, Haryana**

6. **Name of the Scheme/s : Franklin India Arbitrage Fund**

The comparison between the existing features and the proposed features are as follows (Only change portion mentioned):

<table>
<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td>1. Type of scheme</td><td>An open-ended scheme investing in arbitrage opportunities</td><td>An open ended scheme investing in arbitrage opportunities. No investment in InvITs permitted.</td></tr>
<tr><td>2. Asset Allocation Pattern*</td><td>Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of Net assets)</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equity and Equity related securities$</td><td>65</td><td>100</td></tr>
<tr><td>Debt & Money Market Instruments, cash & cash equivalent</td><td>0</td><td>35</td></tr>
</table>
$including equity derivative instruments.

The cumulative gross exposure through equity, debt, derivative positions, repo transactions in corporate debt securities, Real Estate Investment Trusts (REITs), other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time should not exceed 100% of the net assets of the schemesubject to regulatory approval, if any.

Indicative Table (Actual instrument/ percentages may vary subject to applicable SEBI circulars):
<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references*</th></tr>
<tr><td>1</td><td>Derivatives including index futures, stock</td><td>Upto 90% of net assets of the scheme The Scheme may use</td><td>Para 12.25 of SEBI Master Circular dated</td></tr>
</table></td><td>Under normal market circumstances, the investment range would be as follows:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of Net assets)</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equity and Equity related securities$</td><td>65</td><td>100</td></tr>
<tr><td>Exposure in debt instruments in CDs, government securities with maturities upto 1 year, mutual fund units of liquid, money market or schemes having Macaulay duration less than 1 year for meeting liquidity and margin requirements and cash & cash equivalent</td><td>0</td><td>35</td></tr>
</table>
$including equity derivative instruments.

Under defensive circumstances, the asset allocation pattern will be:
<table>
<tr><th rowspan="2">Instruments</th><th colspan="2">Indicative Allocations (% of Net assets)</th></tr>
<tr><th>Minimum</th><th>Maximum</th></tr>
<tr><td>Equity and Equity related securities$</td><td>0</td><td>65</td></tr>
<tr><td>Exposure in debt instruments in CDs, government securities with maturities up to 1 year, overnight debt securities, mutual fund units of liquid,</td><td>35</td><td>100</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Particulars</th><th colspan="4">Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
<tr><td></td><td></td><td>futures, index options, & stock options as part of hedged / arbitrage exposure</td><td>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.</td><td>June 27, 2024.</td><td rowspan="2"><table>
<tr><td>money market or schemes having Macaulay duration less than 1 year for meeting liquidity and margin requirements, cash & cash equivalent</td><td></td><td></td></tr>
</table>
$ including equity derivative instruments.

The cumulative gross exposure through equity, debt, derivative positions (including fixed income derivatives), and repo transactions in corporate debt securities, Real Estate Investment Trusts (REITs), other permitted securities/assets and such other securities/assets shall not exceed 100% of the net assets of the scheme.

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

<table>
<tr><th>Sl. no</th><th>Type of Instrument</th><th>Percentage of exposure</th><th>Circular references*</th></tr>
<tr><td>1</td><td>Derivatives including index futures, stock futures, index options, & stock options as part of hedged / arbitrage exposure</td><td>Upto 90% of net assets of the scheme
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.</td><td>Para 8.5, 8.6 and 13.15, 13.16 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
</table></td></tr>
<tr><td></td><td></td><td>2</td><td>Securities Lending</td><td>Upto 20% of net assets and the maximum single party exposure will be restricted to 5%^ 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</td><td>Para 12.11 of SEBI Master Circular dated June 27, 2024.</td></tr>
</table>

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
			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 counterparty can be identified.		2	Securities Lending	Upto 20% of net assets and the maximum single party exposure will be restricted to 5%^ 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 counterparty can be identified.	**Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	3	Securitized Debt	The scheme will invest upto 20% of net assets	Para 12.3 of SEBI Master Circular dated June 27, 2024.	3	Securitized Debt	The scheme will invest upto 20% of net assets, subject to applicable	**Chapter 13 of SEBI Master Circular on**
	4	Debt instruments with special features	Upto 10% of the debt portfolio of the scheme and not more than 5% of debt portfolio of the scheme in instruments issued by a single issuer	Referred in Para 12.2 of SEBI Master Circular on Mutual Funds dated June 27, 2024				
	5	Units of debt-oriented mutual funds	Upto 5% of net assets	Not Applicable				
	6	Foreign securitized debt	The scheme will not invest	Not Applicable				
	7	Foreign	The scheme will not	Not Applicable				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
		securities	invest				regulation	**Mutual Funds dated March 20, 2026**
	8	Credit default swaps	The scheme will not invest	Not Applicable	4	**Debt instruments with special features (AT1 and AT2 Bonds)**	**The scheme will not invest in debt instruments with special features**	**Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	9	REITs and InvITs	The scheme does not intend to invest in units issued by REITs* and InvITs. *Any potential future investment in units of Real Estate Investment Trusts (REITs) shall be undertaken in accordance with the Securities and Exchange Board of India (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025, and any other applicable Regulations, circulars or guidelines issued by SEBI from time to time.	Not Applicable In accordance with the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025, notified on October 31, 2025	5	**Units of liquid, money market mutual funds or schemes having Macaulay Duration of less than 1 year**	**The Scheme may invest in upto 35% under normal asset allocation circumstances or upto 100% under defensive asset allocation circumstances of net assets of the scheme without charging any fees, provided that aggregate interscheme investment made by all schemes under the management of Franklin Templeton Asset Management (India) Private Limited or in schemes under the management of any other AMC shall not exceed 5% of the net asset value of the mutual fund**	**Schedule 6 of SEBI (Mutual Funds) Regulations, 2026 and Para 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026**
	10	Equity linked debentures	The scheme will not invest	Not Applicable				

Particulars	Existing Scheme Features				Proposed Scheme Features (Changes highlighted in Bold)			
					6	Foreign securitized debt	The scheme will not invest in Foreign securitized debt	Not Applicable
	11	Debt Instruments with special features (AT1 and AT2 Bonds)	The scheme will invest upto 10% of net assets	Not Applicable	7	Overseas securities	The scheme will not invest in overseas securities	**Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	12	Tri-party repos	To meet liquidity requirements or pending deployment as per regulatory limits	Clause 1 of Seventh Schedule of SEBI Mutual Fund Regulation	8	Credit default swaps	The scheme will not invest	**Para 13.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	13	Credit Enhancement / structured obligations	Maximum 10% of the debt portfolio of the Scheme (where group exposure in such instruments shall not be more than 5% of the debt portfolio of the Scheme)	Paragraph 12.3 of the SEBI Master Circular dated June 27, 2024 for Mutual Funds.	9	Units issued by REITs	The scheme may invest in units issued by REITs in line with SEBI regulations	**Para 13.13 of SEBI Master Circular on Mutual Funds dated March 20, 2026**
	14	Repo transactions in corporate debt securities	Upto 10% of the net assets	Clause 12.18 of Master Circular	10	Units issued by InvITs	The scheme does not intend to invest in units issued by InvITs.	**Para 13.13, 3.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQ issued by AMFI dated May 4, 2026**
	15	Securities borrowing and short selling activities	The scheme will not invest	Not Applicable				
	16	Debt derivatives	Upto 30% of the net assets of the scheme	Clause 12.25 of Master	11	Equity linked debentures	The scheme will not invest in Equity linked debentures.	Not Applicable

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<tr><th>Particulars</th><th>Existing Scheme Features</th><th>Proposed Scheme Features (Changes highlighted in Bold)</th></tr>
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<tr><td></td><td></td><td>(hedging and non-hedging purposes)</td><td>Circular</td></tr>
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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 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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.

Portfolio Rebalancing
In the event of deviations the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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
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<tr><td>12</td><td>Tri-party repos</td><td>To meet liquidity requirements or pending deployment as per regulatory limits</td><td>Not applicable</td></tr>
<tr><td>13</td><td>Credit Enhancement / structured obligations</td><td>The scheme will not invest in Credit Enhancement / structured obligations</td><td>Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026</td></tr>
<tr><td>14</td><td>Repo transactions in corporate debt securities</td><td>The scheme will not invest in Repo transactions in corporate debt securities</td><td>Clause 13.8 of Master Circular</td></tr>
<tr><td>15</td><td>Securities borrowing and short selling activities</td><td>The scheme will not invest in Securities borrowing and short selling activities</td><td>Not Applicable</td></tr>
<tr><td>16</td><td>Debt derivatives</td><td>Upto 30% of the net assets of the scheme (hedging and non-hedging purposes)</td><td>Clause 13.15 of Master Circular</td></tr>
</table>

The fund managers will follow an active investment strategy taking defensive/aggressive postures depending on opportunities available at various points in time.

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
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</table>

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	desires, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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.	time to time on a short-term basis on defensive considerations (As per Para 1.14.1.2.b of SEBI Master circular on Mutual Funds dated June 27, 2024), 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. **Portfolio Rebalancing** In the event of deviations the portfolio will be rebalanced as per Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024. 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 mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme. All the reporting and disclosure requirements as mentioned in Para 2.9 of SEBI Master Circular on Mutual Funds dated June 27, 2024 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.
3.	**A. WHERE WILL THE SCHEME INVEST?**	**A. WHERE WILL THE SCHEME INVEST?**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: a. Equity and Equity related instruments of domestic companies / corporations b. Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) c. Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government. d. Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate/entity as may be permitted by SEBI / RBI from time to time e. Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage-Backed Securitisation and so on as may be permitted by SEBI from time to time. f. Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo, Reverse Repo, Treasury Bills, Tri-party Repo and other Money Market Instruments as may be permitted by SEBI / RBI from time to time.	Subject to the SEBI Regulations and the asset allocation pattern mention above for the respective scheme, the Scheme may invest in various types of instruments including, but not limited to, any of the following: (a) Equity and Equity related instruments of domestic companies / corporations (b) Securities issued, guaranteed or supported by the Central Government or any state government (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills) (c) Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government. (d) Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon bearing bonds, zero coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes and other debt securities or obligations of public sector undertakings, banks, financial institutions, corporations, companies and other bodies corporate/entity as may be permitted by SEBI / RBI from time to time (e) Domestic securitised debt, pass through obligations, various types of securitisation issuances such as Asset Backed Securitisation, Mortgage-Backed Securitisation and so on as may be permitted by SEBI from time to time. (f) Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, TREPs, Repo **with underlying government securities or Treasury bill,** Reverse Repo, Treasury Bills, Tri-party Repo and other Money Market Instruments as may be permitted by SEBI / RBI from time to time. (g) Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time (h) Deposits with domestic banks and other bodies corporate as may

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	g. Domestic derivatives including Interest Rate Futures, Interest rate swaps, imperfect hedging and other derivative instruments are permitted by SEBI from time to time h. Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time i. Other schemes managed by the AMC or in the schemes of any other mutual funds j. Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.	be permitted by SEBI from time to time (i) Units of Real Estate Investment Trusts (j) Other schemes managed by the AMC or in the schemes of any other mutual funds (k) Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time. The securities mentioned above could be listed, unlisted, publicly offered, privately placed, secured, unsecured, rated or unrated and of varying maturity. The securities may be acquired through public offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals. The Scheme may also enter into repurchase and reverse repurchase obligations in all securities held by it as per the guidelines and regulations applicable to such transactions.
4.	**Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, REITs and equity derivatives. • **Debt Securities:**	**Where will the scheme invest** Detailed description of the instruments (including overview of debt markets in India, if applicable) mentioned in Section I is provided below: • **Equity Securities:** Equity and Equity related instruments include convertible debentures, equity warrants, convertible preference shares, REITs and equity derivatives. • **Debt Securities:**

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by	Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to: 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee), 2. Debt securities that have been guaranteed by Government of India and State Governments, 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings), 4. Debt securities issued by Public/Private sector banks and development financial institutions, 5. Securitized Debt, Structured Obligations, Credit enhanced Debt, 6. Non Convertible Preference Shares. • **Money Market Instruments include:** 1. Commercial papers 2. Commercial bills 3. Tri-party Repos on Government securities or treasury bills (TREPS) 4. Certificate of deposit 5. Usance bills 6. Permitted securities under a repo/reverse repo agreement 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.

Particulars	Existing Scheme Features	Proposed Scheme Features (Changes highlighted in Bold)
	RBI/SEBI for liquidity requirements from time to time.	**Units of Mutual Fund schemes** **The scheme may invest in mutual fund units of liquid, money market or schemes having Macaulay duration less than 1 year subject to prevailing regulatory limits of aggregate interscheme investment made by all schemes under the same management or in schemes under the management of any other asset management company and subject to change basis prevailing regulations.**