



FRANKLIN TEMPLETON

Your Ready Reckoner on Voting and Unitholder's Meet

Why is the Unitholder's vote necessary?

As per regulation 41 of SEBI (Mutual Fund) Regulation 1996, approval of the unitholders is required to take steps for winding up of the scheme. The schemes can be wound up only after repaying the amount due to the unitholders. The steps to wind-up the schemes include active monetization of assets and return of the investment proceeds to the unitholders. In the absence of authorization, the winding-up process will be delayed as further steps will be possible only after seeking a fresh authorization from the unitholders.

What are the top 10 things that you need to know about Voting?

1. E-Voting and the Unitholder Meet are two separate activities.
2. The Trustees of Franklin Templeton have partnered with "K Fintech" for the electronic voting process and the Unitholders Meet. Voting will take place on June 9 – June 11, 2020 and the Unitholder meets (one per fund) on June 12, 2020. Unitholders will have the advantage of attending the meeting from their place through Video Conferencing offered by K Fintech.
3. To participate in both these activities, unitholders must have a valid registered email id / mobile number with us.
4. The last date for registration of email ids is June 8, 2020.
5. Login credentials have been sent by K Fintech via email to Unitholders with registered email IDs.
6. If unitholders have a registered mobile number but no registered email ID, login credentials have been sent by K Fintech to the registered mobile number via SMS.
7. The email / SMS will have a link to the K Fintech website, a user id and a password. This user id is unique, and is unique also for each scheme that the Unitholder has invested in. Therefore, if unitholders have invested in more than one scheme, they would have received a separate email / SMS with a different user id and password for each scheme.
8. There will be a separate unitholder meet for every scheme and there is a specific timeslot allocated to unitholders of each scheme. Please check the Notice you have received for further details. The information is also available on our website.
9. Unitholders who attend the Video Conference meeting, and have not cast their vote between June 9-11, 2020 can cast their vote during the meeting June 12, 2020.
10. The details of how to participate in the Unitholders meet is mentioned in each notice and a comprehensive table regarding the same is also available in the FAQ document on our website.

Why Kotak and Deloitte?

Kotak and Deloitte are reputed names and were selected after a careful analysis.

Kotak Mahindra Group is one of India's leading financial services conglomerates. The Debt Capital Markets team at Kotak has been active in the debt markets for over 25 years. They have comprehensive experience across the entire product suite of fixed income assets which includes credit bonds. Over the last 4 years, the team has been actively involved in various marquee transactions in the Debt Capital Market Space.

Deloitte is a preeminent professional services firm for liquidation, resolution, restructuring and debt advisory in India with a dedicated Restructuring and Corporate Finance team consisting of over 40 senior professionals who are specialists and experts in these fields. Deloitte in India has handled several assignments involving stressed debt with successful deal closures of over 30+ deals in the same period.

The fees payable to both Deloitte and Kotak will be borne by the AMC. The AMC is also not charging any investment management fees for these 6 funds starting April 24, 2020.

Timelines for Notice, E-Voting and Unitholder's Meet via Video Conference (VC)

- Unitholders will have a 3-day window to participate in the e-voting process June 9 – 11, 2020.
- The Unitholder VC will be held on June 12, 2020 – These will be separate for each scheme. The table below has the time bands for each scheme.
- The e-voting window will be re-opened for each scheme during the Unitholder VC for that respective scheme.

Unitholder's Meet on 12th June - Time Schedule	
Scheme	Time Slot for Unitholders Meet and Re-Opening of Voting Window
Franklin India Ultra Short Bond Fund	9.00 am - 10.30 am
Franklin India Low Duration Fund	10:45 am - 11:45 am
Franklin India Credit Risk Fund	12.00 pm - 1.00 pm
Franklin India Dynamic Accrual Fund	2.00 pm - 3.00 pm
Franklin India Short Term Income Plan	3.15 pm - 4.15 pm
Franklin India Income Opportunities Fund	4.30 pm - 5.30 pm

E-Voting Process:

- The Trustees of Franklin Templeton have partnered with “K Fintech” for the electronic voting process.
- Unitholders will receive an email / SMS from “K Fintech” on their registered email id / mobile number for each scheme that they have invested in.
- The email / SMS will have a link to the K Fintech website, a user id and a password.
- This user id is unique for each scheme that the Unitholder has invested in. Therefore, if Unitholders have invested in more than one scheme, they would have received a separate email / SMS with a different user id and password for each scheme.
- Unitholders need to click on the website link and enter their user id and password.
- Each user id and password entitle a Unitholder to only “one vote” for that scheme.

Voting Options:

- When you log in to the e-voting portal, you will first see two choices - “Yes” and “No”.
- By choosing “Yes”, unitholders are authorizing the liquidation of the assets.
- On selecting “Yes”, two additional sub options will open-up.
 - **By selecting Option 1** Unitholders are authorizing the Trustee to monetize the assets with the assistance of the AMC and Kotak Mahindra Bank as an independent advisor.
 - **By selecting Option 2** Unitholders are authorizing DELOITTE TOUCHE TOHMATSU INDIA LLP to monetize the assets with the assistance of the AMC and Kotak as an independent advisor. In this option, the Trustee's role will be restricted to distribution of proceeds to unitholders after payment of liabilities and expenses in accordance with Regulation and the Trustee will not be responsible for disposal or realisation of Scheme assets.

What happens if you choose the option “No”?

- By selecting “No” Unitholders are not authorizing the liquidation of the assets.
- The Trustee will be required to propose other options to Unitholders and will have to seek their authorization by way of a subsequent voting exercise, which may result in delay in monetizing the Scheme assets and distributions to the unitholders.

Please note that voting ‘No’ to the Authorization will not change the winding-up status of the Scheme.

The Trustee believes that both Deloitte and Kotak have strong capabilities to discharge their respective roles. Unitholders will have the advantage of professional services from Deloitte and Kotak (as an agent and advisor to the AMC and providing independent advice, wherever required) in option 2. The Trustee is equally supportive of both options.

Process for Unitholders Meet via Video Conference (VC)

- The Trustees of Franklin Templeton have partnered with “K Fintech” for the unitholder VC.
- Unitholders need to use the same website link that they used for the e-voting.
- They need to enter the same user id and password they used for the e-voting to attend the VC.
- The user id and password are the same that they have received for the e-voting exercise
- Each user id and password entitle only one Unitholder to attend the VC.
- A minimum of 2000 participants will be accommodated in the VC. The maximum number will be based on the provisions of the technology platform used by K Fintech.
- The first come first serve rule will be applied for attending the VC meeting.
- The meet is held for the Trustees to address the Unitholders and for the Unitholders to ask questions, if any.
- Unitholders can pre-submit questions for the Trustees by writing to unitholdermeet@franklintempleton.com.
- If investors have already voted prior to the Unitholders meet, they will not be able to change their vote.

Attached is a copy of the **FAQ** specifically related to the voting process.

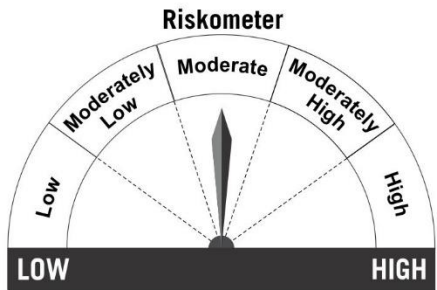
In case of any further queries, please feel free to call our dedicated helpline at 1-800-258-4255 or 1-800-425-4255 from 8 a.m. to 9 p.m., Monday to Saturday. Alternatively, you can also e-mail us at service@franklintempleton.com. We are here to assist you.

Disclaimer

The information contained in this communication is not a complete representation of every material fact and is for informational purposes only. Statements/opinions/recommendations in this communication which contain words or phrases such as “will”, “expect”, “could”, “believe” and similar expressions or variations of such expressions are “forward – looking statements”. Actual results may differ materially from those suggested by the forward-looking statements due to risk or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risk, general economic and political conditions in India and other countries globally, which have an impact on the service and / or investments. There may have been changes in matters which affect the security subsequent to the date of this communication. The AMC, Trustee, their associates, officers or employees or holding companies do not assure or guarantee any return of principle or assurance of income on investments in these schemes. Please read the Scheme Information Document carefully in its entirety prior to making an investment decision and visit our website <http://www.franklintempletonindia.com> for further details.

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

PRODUCT LABELING

Fund Name	This product is suitable for investors who are seeking*:	
Franklin India Low Duration Fund (Number of Segregated Portfolios - 2) FILDF	- Regular income for short term - A fund that focuses on low duration securities.	 Riskometer LOW HIGH Investors understand that their principal will be at Moderate risk
Franklin India Short Term Income Plan (Number of Segregated Portfolios - 3) FISTIP	- Regular income for medium term - A fund that invests in short term corporate bonds including PTCs.	
Franklin India Credit Risk Fund (Number of Segregated Portfolios - 3) FICRF	- Medium to long term capital appreciation with current income - A bond fund focusing on AA and below rated corporate bonds (excluding AA+ rated corporate bonds).	
Franklin India Dynamic Accrual Fund (Number of Segregated Portfolios - 3) FIDA	- Medium term capital appreciation with current income - A fund that focuses on fixed income securities with high accrual and potential for capital gains.	
Franklin India Income Opportunities Fund (Number of Segregated Portfolios - 2) FIIOF	- Medium term capital appreciation with current income - A fund that focuses on high accrual securities	
Franklin India Ultra Short Bond Fund (Number of Segregated Portfolios - 1) FIUBF	- Regular income for short term - A fund that invests in short term debt and money market instruments	

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.