



FRANKLIN TEMPLETON

6 June 2021

Dear Investor,

I sincerely hope that you are doing well and keeping safe in these difficult times.

We continue to grow our India business and offer innovative services to our investors during these times of restricted mobility. A key focus over the last several months has been on returning monies to unit holders of the six fixed income schemes under winding up as quickly as possible and since March 2021, by supporting the court appointed liquidator, SBI Funds Management (SBI MF) in this process.

I am writing today to share a few important updates around the schemes under winding up and other related matters with you.

I. UPDATE ON THE SIX SCHEMES UNDER WINDING UP:

1. The total cash distributed to unitholders till June 3, 2021 is INR 14,572.34 crores across 3 tranches.
2. INR 3,205.25 crores of cash is available for distribution as of June 4, 2021 and is being paid to investors in the week commencing June 7, 2021, bringing the total amount distributed to INR 17,777.59 crores.
3. We continue to update our website with the latest Portfolio and Maturity Profile of these six schemes under winding up. [Click here for the latest information.](#)

Distribution summary for the six schemes under winding up (INR Cr.)

Distribution based on NAV as on February 12, 2021	9,121.59
Distribution based on NAV as on April 9, 2021	2,962.00
Distribution based on NAV as on April 30, 2021	2,488.75
Distribution up to June 3, 2021 (A)	14,572.34
Distribution based on NAV as on June 4, 2021 (B)	3,205.25
Total – Cash Distributed (C) = (A) + (B)	17,777.59

We have also received questions around the recent volatility in NAV in some of our fixed income schemes including the schemes under winding up. I would like to assure you that these changes are basis changes in the market prices or valuations of these securities and are not indicative of any downgrades or defaults in the portfolio securities, or of any write-down in value.

Such NAV movements, termed as MTM (Mark to Market) movements, may seem more pronounced in the schemes under winding up due to their relatively small residual AUM where a valuation change even in one security can cause a meaningful short-term impact on the NAV. However, looking at NAVs over a longer period (say 6 months or 1 year), rather than looking at a one-day NAV change, may help address any concerns you may have. Some schemes were also impacted by a change in methodology for certain types of Floating Rate Bonds adopted by valuation agencies, with effect from May 17, 2021.

II. OUR EQUITY CAPABILITIES

We continue to manage over INR 50,000 crores of assets in equity and equity hybrid funds. Our equity team has a long track record of performance. More than two thirds of our equity funds have a history of over 10 years including 4 funds which have completed 25 years. The performance of our key equity funds has improved significantly over the last few quarters as the economy has started to gather pace.

I enclose for your review, a link to a perspective on the economy, the markets, changing trends, and how Franklin Templeton equity funds are turning the corner. Please [click this link](#) to hear from Anand Radhakrishnan, our Chief Investment Officer – Emerging Markets Equity, India.

III. GLOBAL DIVERSIFICATION OPPORTUNITIES

As demonstrated by research and case studies, diversification is a prudent course of action to deal with market volatility. One form of diversification is across geographies. I am attaching a link to a [blog written](#) by our experts for more information on global diversification.

One such global diversification opportunity can be via investing in the Franklin India Feeder – Franklin U.S. Opportunities Fund. The Fund seeks to provide capital appreciation by investing predominantly in units of Franklin U. S. Opportunities Fund, an overseas Franklin Templeton mutual fund, which primarily invests in securities in the United States of America. It aims to increase the value of its investments over the medium to long term. The Fund pursues an actively managed investment strategy and invests mainly in equity securities issued by companies of any size, located in, or doing significant business in the U.S. The top 5 holdings of the fund include Amazon, Microsoft, Mastercard, Apple, and Visa, as on April 30, 2021. This fund gives Indian investors an opportunity to own these and many other leading names which are not listed on Indian bourses. The investment team focuses on high-quality companies that it believes have exceptional potential for fast and sustainable growth.

We also offer other funds that offer global diversification including our Technology Fund and Asia Equity Fund, to name a few.

IV. OUR COMMITMENT TO THE INDIA BUSINESS

Franklin Templeton's commitment to India remains steadfast. We were early entrants in the Indian mutual fund industry and have remained a part of the industry for over 25 years. We are a local company, with a global parent. Since 1995, India has been an integral part of Franklin Templeton's global footprint, and it remains so today. We continue to manage over INR 61,000 crore of AUM (monthly average AUM as of March 2021) for over 2 million investors in India. More than a quarter of our global workforce is based in India, and many of our global leaders started their careers with Franklin Templeton here. For us, India is not just an investment destination, but a country that has contributed greatly to our success.

My colleagues and I would like to express our sincere gratitude to you for your continued support during these challenging times.

Please continue to take precautions and stay safe and healthy.

Sincerely,

Sanjay Sapre

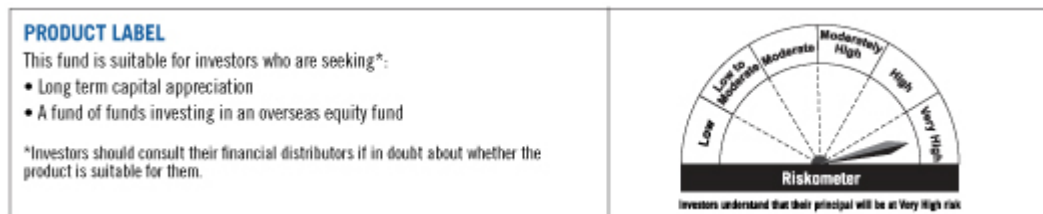
President, Franklin Templeton Asset Management (India) Pvt. Ltd.

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. 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 including details of AUM by geography.

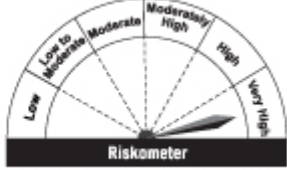
Product Labels

Franklin India Feeder – Franklin U.S. Opportunities Fund



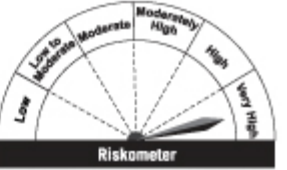
Franklin India Feeder - Franklin U.S. Opportunities Fund is an open-ended fund of fund scheme investing in units of Franklin U.S. Opportunities Fund. Investors may note that they will be bearing the recurring expenses of this scheme in addition to the expenses of the underlying schemes in which this scheme makes investment. The expenses of the Fund of Funds scheme will be over and above the expenses charged by the underlying scheme. Investments in overseas financial assets are subject to risks associated with currency movements, restrictions on repatriation, transaction procedures in overseas markets and country related risks. (Riskometer as on April 30, 2021)

Franklin Asian Equity Fund

PRODUCT LABEL This fund is suitable for investors who are seeking*: • Long term capital appreciation • A fund that invests in stocks of Asian companies / sectors (excluding Japan) *Investors should consult their financial distributors if in doubt about whether the product is suitable for them.	 Riskometer Investors understand that their principal will be at Very High risk
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Franklin Asian Equity Fund is an open-ended equity scheme following Asian (excluding Japan) equity theme (Riskometer as on April 30, 2021)

Product Label for Franklin India Technology Fund

PRODUCT LABEL This fund is suitable for investors who are seeking*: • Long term capital appreciation • A fund that invests in stocks of technology and technology related companies *Investors should consult their financial distributors if in doubt about whether the product is suitable for them.	 Riskometer Investors understand that their principal will be at Very High risk
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Franklin India Technology Fund is an open-ended equity scheme following Technology theme. (Riskometer as on April 30, 2021)

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