



FRANKLIN TEMPLETON

November 25, 2022

Dear Investor,

It is hard to believe that in another one month, another year will have passed...I felt this is the appropriate time to update you on Franklin Templeton's business globally and how my team and I are thinking ahead for our India business.

Proud of Our Past, Focused on the Future

We know the value of thinking long term. While we have been in India for 26 years, this month, we celebrate our 75th anniversary as a company. Since 1947, our firm has invested in ideas, acquisitions, and innovations in the pursuit of helping our clients all over the world achieve their long-term goals and secure their future. While we expect market volatility to continue in the near to medium term, the strength of our investment management business, our commitment to active investment management, and the meaningful progress we have made to further diversify our offerings, gives us the belief that we are strategically positioned to withstand and succeed amidst these market dynamics. Looking forward, we will continue to invest in key areas of growth across all geographies, including technology, alternative assets, customization, wealth management, and distribution initiatives.

Thank you for being an integral part of this journey! As we have throughout our history, I am certain that we will emerge from this challenging period as a stronger firm. Once again, thank you for supporting Franklin Templeton so strongly.

Ten Months of Volatile Markets

The unpredictability of global markets has been on your mind and on ours as well. Like most of the world, we are not immune to the volatility but something that I genuinely appreciate about Franklin Templeton is that we choose not to view these types of challenges as barriers to growth. In fact, we see them as opportunities to deepen our focus and invest for the long term.

We continue to remain laser focused on our clients. It is paramount that we continue to reach out and engage with our clients who are understandably anxious because of the market environment – now is the perfect time to hand hold and go the extra mile. As active investment managers, this is also the time when our investment teams are working to find value and are positioning portfolios for future success.

Global Accomplishments FY 2022 – Providing More Clients with More Choice

We have made noteworthy progress executing on our long-term plan and further diversifying our business and investment capabilities globally, especially in the areas of alternatives, customization, wealth

management, and ETFs – with positive flows in each. A few noteworthy global updates I would like to share with you:

1. Firmwide assets under management stood at \$1.3 trillion as of September 30, 2022.
2. Our broad range of fixed income, equity, and multi-asset strategies remain important strategic advantages, including portfolio management skills, our strength in global research, and best practices in risk management.
3. We continued expansion of our alternative investment capabilities, with the acquisitions of Lexington Partners, one of the world's largest managers of secondary private equity and co-investment funds and Alcentra, one of the largest European credit and private debt managers. With Franklin Templeton's alternative assets totaling \$260 billion, we are now one of the largest managers of alternative assets in the world.
4. With AUM of more than \$11 billion, and positive net flows, our ETF platform continued to expand with innovative product offerings (including the recent launch of the Metaverse UCITS ETF) and is well differentiated with approximately 50% of AUM in actively managed strategies.
5. We continued to be actively engaged in making investments in technology related distribution opportunities and developing our tokenized and digital asset products.

India Business Update

We have announced a few changes in our products for which you may have received a communication from us. I would like to reiterate a few important aspects from that communication here:

- International Funds: I am happy to inform you that we have commenced fresh registrations under Systematic Investment Plans (SIP) / Systematic Transfer Plans (STP) in our three overseas schemes with effect from November 7, 2022: Franklin Asian Equity Fund (FAEF), Franklin India Feeder - Franklin U.S. Opportunities Fund (FIF-FUSOF) and Franklin India Feeder - Templeton European Opportunities Fund (FIF-TEOF). For more details, please [click here](#).
- Domestic Fund of Funds: Pursuant to recent market developments and in the interest of unitholders, all plans under Franklin India Life Stage Fund of Funds shall be merged with Franklin India Dynamic Asset Allocation Fund of Funds, as on December 19, 2022. For more details, please [click here](#).

Further, Franklin India Dynamic Asset Allocation Fund of Funds (FIDAAF) and Franklin India Multi-Asset Solution Fund (FIMAS) will have the option to choose from various equity schemes of Franklin Templeton Mutual Fund (FTMF) to invest their prescribed equity allocation versus the previous mandate to invest in only two equity schemes of FTMF. The fixed income allocation, on the other hand, will be invested in various domestic debt mutual fund scheme(s) including those of FTMF. For more details, please [click here](#).

Interesting reads:

- The US Federal Reserve hiked the federal funds target rate by 75 basis points (bps) for a fourth straight meeting to a range of 3.75% - 4% in its November 1-2, 2022, meeting. According to the US central bank, inflation is still way too high and core inflation shows no sign of coming down. Hence, interest rates will go higher and stay higher for longer. I found an interesting article penned

by our **Global Fixed Income CIO, Dr. Sonal Desai** 'On my Mind: A Different kind of Pivot' on the US Fed rate hike and the way forward: [Click here](#) to read the article.

- India's nail-biting victory over arch-rivals Pakistan in the T20 World Cup was indeed a Diwali treat for Indians. However, apart from all the thrills, entertainment and cricketing skills, this match also taught some good investment lessons that investors should follow through their journey of wealth creation. I found the takeaways interesting – [click here](#) to know more.

Hope you find the above insights useful.

As always, you can directly write to me at avisatwalekar@franklintempleton.com for any questions you may have. I value your questions, and feedback and look forward to the opportunity of continuing to meet your investment needs in future.

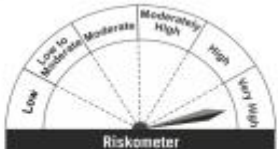
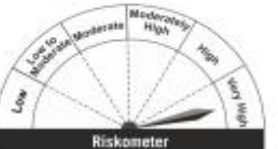
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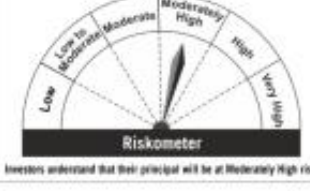
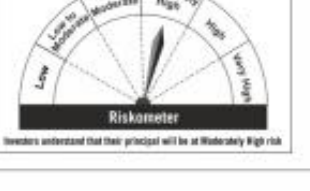
Avinash Satwalekar
President, Franklin Templeton Asset Management (India) Pvt. Ltd.

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.

Type of schemes: **FIF-FUSOF:** An open ended fund of fund scheme investing in units of Franklin U. S. **FIF-TOEF:** An open ended fund of fund scheme investing in units of Templeton European Opportunities Fund. **FAEF:** An open ended equity scheme following Asian (excluding Japan) equity theme. **FIDAAF:** An open ended fund of fund scheme investing in dynamically balanced portfolio of equity and income funds. **FILSF:** An open ended fund of fund scheme investing in funds which in turn invest in equity and debt. **FIMAS:** An open ended fund of fund scheme investing in funds which in turn invest in equity, debt, gold and cash.

Investors may note that they will be bearing the recurring expenses of these schemes in addition to the expenses of the underlying Schemes in which they make investment.

Fund/ Primary Benchmark Name	Product Label		
	This product is suitable for investors who are seeking* *Investors should consult their financial advisers if in doubt about whether the product is suitable for them		
	Nature of scheme & indicative time horizon	Brief about the investment objective & kind of product	Risk level based on portfolio as on October 31, 2022
Franklin Asian Equity Fund Primary Benchmark: MSCI Asia (ex-Japan) Standard Index	Long term capital appreciation	A fund that invests in stocks of Asian companies / sectors (excluding Japan)	 Investors understand that their principal will be at Very High risk
Franklin India Feeder - Franklin U.S. Opportunities Fund Primary Benchmark: Russell 3000 Growth Index	Long term capital appreciation	A fund of funds investing in an overseas equity fund	 Investors understand that their principal will be at Very High risk
Franklin India Feeder - Templeton European Opportunities Fund Primary Benchmark: MSCI Europe Index	Long term capital appreciation	A fund of funds investing in an overseas equity fund having exposure to Europe	 Investors understand that their principal will be at Very High risk
Franklin India Life Stage Fund of Funds - 20s Plan Primary Benchmark: 65% S&P BSE Sensex + 15% Nifty 500 + 20% Crisil Composite Bond Fund Index	Long term capital appreciation	A fund of funds investing in equity and debt mutual funds	 Investors understand that their principal will be at Very High risk
Franklin India Life Stage Fund of Funds - 30s Plan Primary Benchmark: 45% S&P BSE Sensex + 10% Nifty 500 + 45% Crisil Composite Bond Fund Index	Long term capital appreciation	A fund of funds investing in equity and debt mutual funds	 Investors understand that their principal will be at High risk

Franklin India Life Stage Fund of Funds - 40s Plan Primary Benchmark: 25% S&P BSE Sensex + 10% Nifty 500 + 65% Crisil Composite Bond Fund Index	Long term capital appreciation	A fund of funds investing in equity and debt mutual funds	 Investors understand that their principal will be at Moderately High risk
Franklin India Life Stage Fund of Funds - 50s Plus Floating Rate Plan Primary Benchmark: 20% S&P BSE Sensex + 80% Crisil Liquid Fund Index	Long term capital appreciation	A fund of funds investing in equity and debt mutual funds	 Investors understand that their principal will be at Moderate risk
Franklin India Life Stage Fund of Funds - 50s Plus Plan Primary Benchmark: 20% S&P BSE Sensex + 80% Crisil Composite Bond Fund Index;	Long term capital appreciation	A fund of funds investing in equity and debt mutual funds	 Investors understand that their principal will be at Moderate risk
Franklin India Dynamic Asset Allocation Fund of Funds Primary Benchmark: CRISIL Hybrid 35+65 - Aggressive Index	Long term capital appreciation	A hybrid fund of funds investing in equity and debt mutual funds	 Investors understand that their principal will be at Moderately High risk
Franklin India Multi-Asset Solution Fund Primary Benchmark: CRISIL Hybrid 35+65 - Aggressive Index	Long term capital appreciation	A fund of funds investing in diversified asset classes through a mix of strategic and tactical allocation	 Investors understand that their principal will be at Moderately High risk

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