



FRANKLIN TEMPLETON

August 14, 2022

Dear Investor,

The festival season is around the corner, and we will also be celebrating 75 years of our Independence this month. It is also heartening to see an improvement in economic activity across sectors which augurs well for the future. At Franklin Templeton, we continue to grow our India business with an aim to offer innovative products and services to you. A key focus over the last several months has also been on returning monies to unit holders of the six fixed income schemes under winding up. I am writing today to share a few important updates around these matters with you.

The Hon'ble Supreme Court (SC) on August 3, 2022, has permitted the liquidator to distribute cash available in the six schemes under winding up to its unit holders, which was INR 685 crores as on August 7, 2022. The cash available in five schemes (subject to expenses) has been distributed to all impacted investors. A small amount is payable to the unitholders of Franklin India Income Opportunities Fund which will be paid in due course. A few key highlights, post this payout:

1. The total amount distributed, in aggregate, will be **INR 26,783.27 crores** amounting to **106% of the AUM** in the 6 schemes as on April 23, 2020.
2. 5 out of 6 schemes have returned over 100% of the AUM at the time of announcement of winding up on April 23, 2020.
3. 4 out of 6 schemes have liquidated all performing assets. There is only one issuer with three performing securities remaining to be liquidated in the other two schemes.
4. The total amount disbursed so far ranges between 97% and 112% of the respective AUM values of the six schemes as of April 23, 2020 (see table for details).
5. Further, at the time of each distribution, the Net Asset Value of each of the schemes was higher than it was on April 23, 2020.

Scheme	AUM (INR cr. as on April 23, 2020)	Total Disbursement (INR cr. till August 7, 2022)	Total Distribution (as a % to April 23, 2020 AUM)
Franklin India Ultra Short Bond Fund (FIUBF)	9,630	10,448	108.50%
Franklin India Low Duration Fund (FILDF)	2,356	2,650	112.46%
Franklin India Short Term Income Plan (FISTIP)	5,553	5,423	97.66%
Franklin India Income Opportunities Fund (FIIOF)	1,744	1,887	108.18%
Franklin India Credit Risk Fund (FICRF)	3,417	3,681	107.72%
Franklin India Dynamic Accrual Fund (FIDA)	2,514	2,694	107.15%
Total	25,215	26,783	106.22%

We continue to make all efforts for recovery of proceeds from issuers who have defaulted on their repayment obligations.

Looking Ahead

We continue to manage over INR 58,000 crores* of assets including a suite of equity funds investing across the market cap spectrum and across geographies besides high credit fixed income funds for various investment horizons/goals and our commitment to India remains steadfast.

In the last few months, I have travelled across the country to meet some of our distribution partners and investors. Our discussions and interactions make me firmly believe that ahead of us lies an incredible opportunity to gain back momentum. And one of the things that can help us with it is a new product launch. We are excited to bring to you soon a diversified investment offering that may help investors navigate through changing markets, in a simple and efficient manner. We are eagerly looking forward to embarking on a new chapter of growth in India, and the launch of Franklin India Balanced Advantage Fund represents a first of many steps to this end. More details to follow on this soon.

I would like to once again express my sincere gratitude for your continued support. My team and I remain available to answer any questions you may have, and we look forward to the opportunity of continuing to meet your investment needs in future.

We remain committed to serving the long-term interests of our investors and partners.

Please continue to stay safe and healthy.

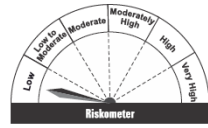
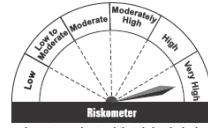
Sincerely,

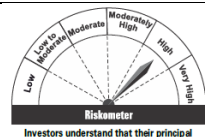
Avinash Satwalekar

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

* Monthly Average AUM as of July 2022

Product Labels

Fund Name	This product is suitable for investors who are seeking^:	
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	 Riskometer Investors understand that their principal will be at Low risk
Franklin India Low Duration Fund (Number of Segregated Portfolios - 2) FILDF	- Regular income for short term - A fund that focuses on low duration securities.	
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 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.	 Riskometer Investors understand that their principal will be at Very High risk

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 Balanced Advantage Fund Type of Scheme: An open-ended dynamic asset allocation fund	• Income generation and capital appreciation over medium to long term • A fund that invests in dynamically managed portfolio of equity & equity related securities, and income and money market instruments	

^ Investors should consult their financial distributors if in doubt about whether these products are suitable for them. Riskometer as of July 29, 2022

**The scheme risk-o-meter assigned during the New Fund offer (NFO) is based on the scheme characteristics. The same shall be updated in accordance with provisions of SEBI circular dated October 5, 2020 on Product labelling in mutual fund schemes on an ongoing basis.

Post the last pay out, Franklin India Income Opportunities Fund (FIIOF) has paid 100% of its AUM as on December 12, 2021 (except cases requiring remediation or with incomplete documentation). Investors may note that in addition to the payments till date, any amount received by the schemes including recoveries/ receipts from securities which are currently valued at zero or have matured but defaulted on their repayment obligation, shall be paid out to investors as and when such amounts are recovered/received. Details of the same will be shared with investors in due course. There is no portfolio left to evaluate riskometer for the fund except the securities which are currently valued at zero or have matured but defaulted on their repayment obligation. On account of this, the riskometer for FIIOF has not been disclosed.

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.

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