



FRANKLIN TEMPLETON

February 28, 2022

Dear Investor,

I hope you are doing well and staying safe.

The release of the Union Budget for FY22-23 was the big highlight of the month of February. Attempting to immunize the economy from the vagaries of the pandemic-led slowdown, the Union Budget focused on the right spending of the government's resources on physical and digital infrastructure in an attempt to support the recovery momentum. The Budget was weaved around three key themes - Infrastructure, Digital and Manufacturing. For our detailed budget analysis and outlook, please [click here](#).

Investments in Global Opportunities

Over the last few weeks, there has been a concern on mutual funds having to stop inflows into international funds. To provide some background, mutual funds are permitted to invest in overseas securities since a while now within an overall limit of USD 7 billion, plus an additional USD 1 billion for ETFs. Within this limit, SEBI has set up AMC wise limits with each AMC able to invest up to USD 1 billion. These limits have been increased periodically. Over the last year, the industry has witnessed increased traction in investing in international funds due to which the industry wide utilization is close to the USD 7 billion limit resulting in temporary restrictions on inflows into funds investing overseas.

In view of this, we have announced a temporary suspension in subscriptions for 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) effective February 2, 2022. **Please note that the aforesaid suspension does not impact ongoing SIPs/ STPs registered prior to the date of closure. Similarly, redemptions, switch-outs or systematic withdrawal plans are also unaffected.** We are hopeful the limits will be enhanced soon and will keep you informed as and when we are able to remove the current restrictions.

Important Senior Management Appointments

I would like to share an important update on senior management appointments at Franklin Templeton with you.

I will be joining Franklin Templeton's Digital Strategy and Wealth Management division in July 2022. In this new role, I will be responsible for developing and leading the firm's consumer-oriented capabilities globally, with a special emphasis on helping our distribution partners grow their digital propositions. I will continue to be based in India in my new role and will remain on the board of Franklin Templeton Asset Management (India) Private Limited.

Avi Satwalekar, currently Country Head of Malaysia will relocate to India as President – Designate, effective April 1, 2022, and take over as President of the India AMC from me in June 2022.

Avi joined Franklin Templeton in 1996 as a part of the Franklin Equity Group in San Mateo, California, where he was a member of the portfolio management team for the Franklin Small Cap Growth strategy and a lead portfolio manager for private separately managed small cap accounts. He has been Country Head of Malaysia for the past five years and also serves as Chairman of Vietcombank Fund Management (VCBF), a joint venture between Franklin Templeton and Vietcombank in Vietnam. Avi brings a wealth of experience across investment management and business development and is a Bachelor of Commerce from the University of Bombay, India and an M.B.A. in finance from The Wharton School at the University of Pennsylvania. He is a Chartered Financial Analyst (CFA) charterholder and a member of the CFA Institute and the CFA Society of San Francisco (CFASF). For more details on these appointments, please refer to our [press release](#).

Update on Winding up of the six fixed income schemes

You would be aware that a total of INR 26,098.19 crores has been distributed across the six schemes under winding up, amounting to 103.50% of the AUM as on April 23, 2020. In 5 out of 6 funds, the schemes have returned over 100% of the AUM at the time of winding up on April 23, 2020.

Efforts to monetize the remaining securities continue unabated and the AMC continues to support the ongoing liquidation process by the Court appointed liquidator. We also continue to make all efforts for recovery of proceeds from issuers who have defaulted or from securities which are held in segregated portfolios in the best interest of our investors.

Our website has been updated with the latest Portfolio and Maturity Profile of the six schemes under winding up, please click the links below to see the latest information in this regard.

- [Security Level Portfolio](#)
- [Maturity Profile](#)

Looking Ahead

We continue to manage over INR 65,000 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.

Thank you 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.

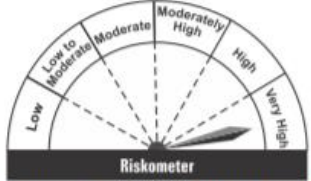
Please continue to stay safe and healthy.

Sincerely,

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

^Monthly Average AUM as of January 2022

Product labelling

Franklin India Feeder - Franklin U.S. Opportunities Fund This product is suitable for investors who are seeking*: • Long term capital appreciation • A fund of funds investing in an overseas equity fund	 Riskometer Investors understand that their principal will be at Very High risk
Franklin India Feeder - Templeton European Opportunities Fund This product is suitable for investors who are seeking*: • Long term capital appreciation • A fund of funds investing in an overseas equity fund having exposure to Europe.	 Riskometer Investors understand that their principal will be at Very High risk
Franklin Asian Equity Fund This product is suitable for investors who are seeking*: • Long term capital appreciation • A fund that invests in stocks of Asian companies / sectors (excluding Japan)	 Riskometer Investors understand that their principal will be at Very High risk

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

Riskometer as on Jan 31, 2022

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.