



FRANKLIN TEMPLETON

October 12, 2021

Dear Investor,

Greetings from Franklin Templeton. I hope you are staying safe and healthy.

Our key focus over the last several months has been on returning monies to unit holders of the six fixed income schemes under winding up and I am pleased to share that as of September 30, 2021, the Funds have already distributed approximately INR 23,999 crores to unitholders, representing 95% of the aggregate reported AUM as of April 23, 2020, across the six funds.

The total amount disbursed so far ranges between 84% and 108% of the respective reported AUM values of the six funds as of April 23, 2020. Further, at the time of each distribution, the Net Asset Value of each of the Funds was higher than it was on April 23, 2020.

We believe this supports the decision made by the Trustee in consultation with the AMC and its investment management team to wind up the funds. The AMC is continuing to support the ongoing liquidation process by the Court appointed liquidator.

As on September 30, 2021, a further INR 692.72 crores is available as cash (including INR 473.37 crores from unsettled trades which were settled on October 1, 2021) in the schemes for future disbursement.

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.

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

Our view of the Markets

Equity markets continued to rally and touched new highs in September 2021. The rally was primarily driven by government reform/ relief measures (telecom, auto, banking), low interest rates, improved vaccine access and pick-up in service sector activities. Resumption of economic activity is reiterated by improving indicators like e-way bills, GST collection, power demand, rail freight and exports growth among others. Easing of restrictions related to schools, theatres, capacity restrictions and a pick-up in vaccinations should lead to further economic normalization during the upcoming festive season.

What is the way forward for equity markets? What are our views on corporate earnings? What will be the impact of the US Fed's stance to taper its asset buying program? I am happy to share a [podcast](#) by Anand Radhakrishnan- MD & CIO, Emerging Markets Equity – India, with The Economic Times in which he shares his views on this and more.

On the fixed income front, the RBI in its latest monetary policy kept key interest rates unchanged. The stance was to continue to support the revival of economic growth and mitigate the impact of Covid-19 on the economy. The GDP growth for FY22 was projected at 9.5% led by signs of recovery in all sectors of the economy. The inflation rate projection was revised downward to 5.3% from 5.7% on the back of lower food inflation.

We continue to manage over INR 64,000 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.

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.

Please continue to stay safe and healthy.

Sincerely,

Sanjay Sapre

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

*Monthly Average AUM as of September 2021

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