FRANKLIN TEMPLETON

April 2, 2021

Dear Investor,

I am reaching out to you today, to address inaccuracies in recent reports about our engagement with government authorities, as well as speculation circulating on our commitment to our business in India.

At the outset, I wish to clarify and re-iterate that 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 even while many other global asset managers decided to leave. Please let me assure you, we have no plans to exit our India business. Any speculation suggesting otherwise, or any rumours around sale of our business in India are incorrect and simply that - rumours.

We remain 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 60,000 crore of AUM* 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 attractive investment destination, but a country that has contributed greatly to our success.

Our engagement with government authorities, in India and globally, is also something we, and many companies do, as a matter of course. We have endeavored to keep all stakeholders, including the relevant government and diplomatic authorities, appropriately informed of developments, and will continue to do so. Our intention in reaching out remains bringing the current matters to an appropriate and satisfactory conclusion.

We have great respect and full confidence in SEBI and all regulatory/statutory authorities. Please be assured that we have been fully transparent with the regulator and have extended our fullest cooperation to them, to help them examine the circumstances surrounding the winding up of the six schemes by Franklin Templeton last year. We continue to place great emphasis on compliance with regulations, and have appropriate policies in place, consistent with Indian regulations, and global best practices.

*monthly average AUM as of February 2021

Our primary focus over the last several months has been, and remains, on returning money to unit holders as quickly as possible. In this regard, most recently, we have directed our efforts to supporting SBI Funds Management Pvt. Ltd. (SBI MF), the liquidator appointed by the Hon'ble Supreme court, in monetizing the portfolios of these schemes and returning monies to investors at the earliest, while preserving value.

We recognize the impact the decision to wind up the six schemes has had on our unitholders and partners. However, while difficult, we believe this was the correct decision to preserve value for our unitholders. The NAVs of all six schemes are now above the NAV as of 23 April 2020, indicating that we have been able to preserve value through this action of winding up the schemes. All six schemes are now cash positive with no outstanding borrowing. We are grateful to the unitholders for overwhelmingly supporting the decision taken by the Trustees.

In closing, I want to reiterate that we remain focused on our business in India, the task of returning monies to you at the earliest and regaining your trust which has been eroded by recent events.

Thank you once again for being patient with us, reposing your trust in us and supporting us. My team and I remain available to answer any questions you may have.

Please stay safe and healthy.

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