



# FRANKLIN TEMPLETON

January 18, 2021

Dear Investor,

As you are aware, the Trustee of Franklin Templeton Mutual Fund in India, with the permission of the Hon'ble Supreme Court, sought the consent of the unitholders under regulation 18 (15) (c) to wind-up the schemes. The unitholders consent vote took place from December 26 to December 28, 2020 followed by the Unitholders meet via video conference on December 29, 2020.

**The result of the e-voting has been announced by the Hon'ble Supreme Court today.** Out of the total number of unitholders who cast their votes, over 96% of unitholders have voted in favour of the winding up of the six schemes. Following are the scheme wise results:

Scheme	% votes cast in favour of the winding up
Franklin India Ultra Short Bond Fund	96.78%
Franklin India Low Duration Fund	97.23%
Franklin India Dynamic Accrual Fund	97.62%
Franklin India Credit Risk Fund	97.97%
Franklin India Income Opportunities Fund	96.89%
Franklin India Short Term Income Plan	97.61%

**We are thankful to our unitholders for voting overwhelmingly in favour of the orderly winding up in all 6 schemes.** We deeply appreciate the support of our investors and partners and hope to commence distribution of investment proceeds at the earliest, subject to the directions of the Hon'ble Supreme Court. The next hearing in this matter is scheduled to take place on January 25, 2021.

## UPDATE ON MONETIZATION OF ASSETS

**I have been regularly sharing data on the progress made on the monetization of assets in these schemes.** The latest update as on January 15, 2021 is as follows:

1. From April 24, 2020 to January 15, 2021, the six schemes under winding up have received INR 13,789 cr. from maturities, pre-payments, and coupons. Over the latest fortnight (January 1 - 15), the schemes received Rs. 669 cr., of which Rs. 617 cr. was received as pre-payments.

2. Franklin India Short Term Income Plan turned cash positive recently taking the total number of cash positive schemes to five. The five cash positive schemes have INR 9,190 cr. available to return to unitholders as on January 15, subject to fund running expenses. Individually, Franklin India Low Duration Fund, Franklin India Ultra Short Bond Fund, Franklin India Dynamic Accrual Fund, Franklin India Credit Risk Fund and Franklin India Short Term Income Plan have 63%, 50%, 41%, 26% and 9% of their respective AUM in cash.
3. The inflows received across 6 schemes is nearly 43% higher than anticipated in the maturity profile published for April 23, 2020.
4. Borrowing levels in Franklin India Income Opportunities Fund continue to come down steadily and currently stand at 6% of AUM.
5. It will be pertinent to note that of the INR 13,789 cr. received since April 24, 2020, slightly more than half of this amount has been received from securities rated "A", followed by securities rated "AA". Much of this cash has been generated from securities which were unlisted, or where FT was a majority holder.

Most importantly, all of this cash has been received without any secondary market sale (active monetization) of the securities in the six schemes. This points to the fact that the securities held in the funds can be monetized at fair value if given appropriate time under normal market conditions.

We will update you on the next steps soon. In the meanwhile, my team and I remain available to answer any questions you may have.

Thank you once again for your continued support.

Please stay safe and healthy.

Sincerely,

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

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