



# FRANKLIN TEMPLETON

7 May 2021

Dear Investor,

I hope you are doing well and keeping safe in these difficult times.

This second wave of Covid 19 has been devastating. Many of us have been personally impacted or know of family and friends who have been impacted by this wave of the disease. All of us at Franklin Templeton sincerely hope that you are taking necessary precautions during this difficult and unsettling time.

You would have received an update from SBI Funds Management Pvt. Ltd., the court appointed liquidator, and from our Registrar on the recent distribution in the six schemes under winding up. To recap, 58% of the April 2020 AUM has been returned so far, and in the case of two schemes, the disbursement is over 75% of AUM. As you will note from the table below, the total cash distributed as of May 3, 2021 is INR 14,572 crores.

Scheme (INR Crores)	First disbursement - Feb 12, 2021	Second disbursement - Apr 9, 2021	Third disbursement - Apr 30, 2021	Total disbursement	AUM as on Apr 23, 2020	Total disbursement as a % to April 23, 2020 adjusted AUM
Franklin India Ultra Short Bond Fund	5,075	1,489	772	7,336	9,630	76%
Franklin India Low Duration Fund	1,625	141	290	2,056	2,356	87%
Franklin India Short Term Income Plan	469	710	391	1,570	5,553	28%
Franklin India Income Opportunities Fund	-	121	337	458	1,744	26%
Franklin India Credit Risk Fund	926	320	500	1,746	3,417	51%
Franklin India Dynamic Accrual Fund	1,025	181	200	1,406	2,514	56%
<b>Total</b>	<b>9,122</b>	<b>2,962</b>	<b>2,489</b>	<b>14,572</b>	<b>25,215</b>	<b>58%</b>

We are grateful to all of you for overwhelmingly supporting the decision taken by the Trustee to wind up these six schemes and undertake an orderly liquidation as opposed to a distress sale of portfolio securities.

Please find the latest portfolio update of these schemes as of April 30, 2021 in the below links:

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

We recognize the impact the decision to wind up the six schemes has had on all of you, our unitholders and partners. However, while difficult, we believe this was the correct decision to preserve value for our unitholders.

2020 was an extraordinary year for the Indian fixed income markets on account of the COVID-19 pandemic. In the backdrop of an uncertain and weak economic environment, the RBI took conventional and unconventional measures to support growth. It ensured adequate systemic liquidity while maintaining an accommodative policy stance. RBI also periodically announced a slew of measures to support the economy and give an impetus to growth. This has led to benign spreads across the yield curve and provided stability to the fixed income market. We believe that the RBI may continue with the prevailing monetary policy stance till the current pandemic wave subsides, and the vaccination drive reaches critical mass during H2FY22.

With the ongoing pandemic and lockdowns, we recognize that it may have been challenging for you to reach us at points of time. Though we had opened all our branch offices across the country, we have been forced to close most of them in order to keep our employees safe. We apologize that you cannot reach us in person at this time, but we continue to work from home, and remain available to serve you via our website, mobile app, chatbot, call centre or via email for any queries that you may have. Please do reach out directly to clarify any questions, doubts or concerns that you may have regarding these funds, the payouts or any other matter that may be causing you concern with regard to these, or any of our other funds.

I wish to reiterate 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 for over 25 years. We are 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 61,000 crore of AUM (monthly average AUM as of March 2021) 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 investment destination, but a country that has contributed greatly to our success.

Thank you once again for your continued support during these challenging times.

I urge you to continue staying safe, and to take care of yourself and your loved ones. Please know that you are in our thoughts.

Sincerely,

**Sanjay Sapre**

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

Disclaimer

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