



Press Release

Creation of Segregated Portfolio(s) in Franklin India Low Duration Fund, Franklin India Dynamic Accrual Fund, Franklin India Credit Risk Fund, Franklin India Short Term Income Plan, Franklin India Ultra Short Bond Fund and Franklin India Income Opportunities Fund

This is in continuation to our earlier communication regarding proposal for creation of Segregated Portfolios in respect of 10.90% VODAFONE IDEA LTD 02SEP2023 (P/C 03SEP2021) and 8.25% VODAFONE IDEA LTD 10-JUL-20 (“the Security (ies)”), issued by Vodafone Idea Limited (“the Issuer”) in Franklin India Low Duration Fund, Franklin India Dynamic Accrual Fund, Franklin India Credit Risk Fund, Franklin India Short Term Income Plan, Franklin India Ultra Short Bond Fund and Franklin India Income Opportunities Fund (‘the Schemes’) with effect from January 24, 2020 due to downgrade of security 8.25% VODAFONE IDEA LTD 10-JUL-20 to “CRISIL BB (Rating Watch with Negative Implications)”, i.e. below investment grade, by CRISIL.

The Board of Trustees of Franklin Templeton Mutual Fund has approved the creation of segregated portfolio in the Schemes. Investors are hereby notified that with effect from January 24, 2020, the aforesaid Security (ies) issued by Vodafone Idea Limited (the Issuer”), will be segregated from the total portfolio of the Schemes.

Details of exposure in the Issuer as on January 24 , 2020 is provided as under:

Name of the Scheme	Name of the Security	ISIN	Number of securities in the portfolio	Total Market Value (including accrued interest) (Rs. in Crs)*
Franklin India Low Duration Fund	10.90% VODAFONE IDEA LTD 02SEP 2023 (P/C 03SEP2021)	INE669E08318	1,510	0
	8.25% VODAFONE IDEA LTD 10-JUL-20	INE713G08046	1,970	
Franklin India Dynamic Accrual Fund	10.90% VODAFONE IDEA LTD 02SEP 2023 (P/C 03SEP2021)	INE669E08318	940	0
	8.25% VODAFONE IDEA LTD 10-JUL-20	INE713G08046	950	
Franklin India Credit Risk Fund	10.90% VODAFONE IDEA LTD 02SEP	INE669E08318	3,370	0

	2023 (P/C 03SEP2021)			
	8.25% VODAFONE IDEA LTD 10-JUL-20	INE713G08046	220	
Franklin India Short Term Income Plan	10.90% VODAFONE IDEA LTD 02SEP 2023 (P/C 03SEP2021)	INE669E08318	5,230	0
	8.25% VODAFONE IDEA LTD 10-JUL-20	INE713G08046	850	
Franklin India Ultra Short Bond Fund	8.25% VODAFONE IDEA LTD 10-JUL-20	INE713G08046	7,990	0
Franklin India Income Opportunities Fund	10.90% VODAFONE IDEA LTD 02SEP 2023 (P/C 03SEP2021)	INE669E08318	1,450	0
	8.25% VODAFONE IDEA LTD 10-JUL-20	INE713G08046	470	

*Debt securities of Vodafone Idea Limited (VIL) held in the schemes of Franklin Templeton Mutual Fund have been marked down to a value of zero on January 16, 2020. The valuation adjustment only reflects the realizable price of the relevant securities on the date of valuation and does not indicate any reduction or write-off of the amount repayable by VIL.

Impact on the Investors

- Existing investors in the Schemes, as on the day of creation of segregated portfolio(s), shall be allotted equal number of units in the segregated portfolio(s) as held in the main portfolio(s).
- Units of segregated portfolio will not be available for subscription or redemption. However, AMC will enable listing of units of segregated portfolio(s) on the recognized stock exchange within 10 working days of creation of segregated portfolio(s) and enable transfer of such units on receipt of transfer requests.
- Upon recovery of money from the Issuer in the segregated portfolio(s), whether partial or full, it will be distributed to the investors in proportion to their holding in the segregated portfolio(s).
- AMC will disclose separate NAVs of segregated and main portfolios from the date of creation of segregated portfolio(s).
- Investors redeeming their units in main portfolio(s) will get redemption proceeds based on the Net Asset Value (NAV) of main portfolio(s) and will continue to hold the units of segregated portfolio(s).
- A statement of account indicating units held by the investors in the main and segregated portfolio(s) along with the respective NAVs as on the day of the credit event will be communicated to the investors within 5 working days of creation of the segregated portfolio(s).

Place: Mumbai

Date: January 25, 2020

About Franklin Templeton

Franklin Templeton (India) is one of the largest foreign fund houses** in the country. It manages one of the most comprehensive ranges of mutual funds (40) catering to varied investor requirements and offering different investment styles to choose from. It has offices in 39 cities and Collection Centres in over 100 locations across the country.

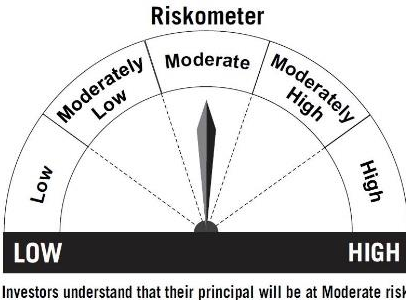
Franklin Templeton Asset Management (India) Pvt. Ltd. is ultimately held by Franklin Resources, Inc., a global investment organization operating as Franklin Templeton.

Franklin Templeton provides global and domestic investment management solutions managed by its Franklin, Templeton, Mutual Series, Franklin Bissett, Fiduciary Trust, Darby, Balanced Equity Management and K2 investment teams. The San Mateo, CA-based company has 70 years of investment experience and \$698.3 billion in assets under management as of December 31, 2019.

** Source: AMFI Website (based on AAUM as on December 31, 2019)

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

Product Labels:

Fund Name	This product is suitable for investors who are seeking*	
Franklin India Low Duration Fund (FILDF)	<ul style="list-style-type: none"> Regular income for short term A fund that focuses on low duration securities. 	 <p>Investors understand that their principal will be at Moderate risk</p>
Franklin India Short Term Income Plan (FISTIP)	<ul style="list-style-type: none"> Regular income for medium term A fund that invests in short term corporate bonds including PTCs. 	
Franklin India Credit Risk Fund (FICRF)	<ul style="list-style-type: none"> Medium to long term capital appreciation with current income A bond fund focusing on AA and below rated corporate bonds (excluding AA+ rated corporate bonds). 	
Franklin India Dynamic Accrual Fund (FIDA)	<ul style="list-style-type: none"> Medium term capital appreciation with current income A fund that focuses on fixed income securities with high accrual and potential for capital gains. 	
Franklin India Ultra Short Bond Fund (FIUBF)	<ul style="list-style-type: none"> Regular income for short term A fund that invests in short term debt and money market instruments 	

Franklin India Income Opportunities Fund (FIIOF)	<ul style="list-style-type: none">• Medium term capital appreciation with current income• A fund that focuses on high accrual securities
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*Investors should consult their financial distributors if in doubt about whether these products are suitable for them.

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