

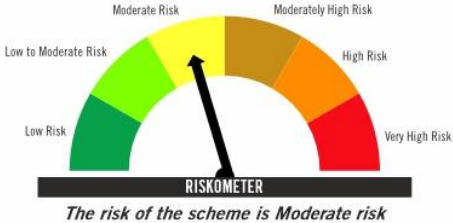
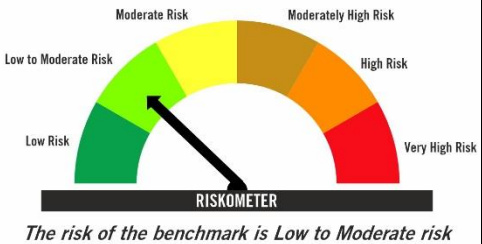
SCHEME INFORMATION DOCUMENT

SECTION I

FRANKLIN INDIA SHORT TERM FUND

(An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year to 3 years (please refer to page 76)\$.)

Potential Risk Class (PRC) description: Relatively High interest rate risk and Moderate credit risk

This product is suitable for investors who are seeking*:	Scheme Riskometer	Benchmark Riskometer (as applicable)
☐ Income in the short term ☐ Investments in Debt & Money Market securities such that the Macaulay duration of the portfolio is between 1 year to 3 years		As per AMFI Tier I Benchmark i.e. NIFTY Short Duration Debt Index A-II 

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

The above product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

Please refer to our website (<https://www.franklintempletonindia.com/downloadsServlet/pdf/product-labels-jg9o5k7l>) or

latest Risk-o-meters of scheme and primary benchmark (Tier I) calculated in accordance with Para 6.16 and 6.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026.

\$ Please refer to the page 76 on which the concept of Macaulay's Duration has been explained.

Potential Risk Class (PRC) Matrix for Franklin India Short Term Fund in accordance with Para 6.18 of SEBI Master Circular on Mutual Funds dated March 20, 2026.

Max. Interest Rate Risk 	Max. Credit Rate Risk 			
	POTENTIAL RISK CLASS	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
	Relatively Low (Class I)			
	Moderate (Class II)			
	Relatively High (Class III)		B-III	

Description of potential risk: Relatively High interest rate risk and Moderate credit risk

Potential Risk Matrix contains Maximum Interest rate risk (calculated using Macaulay Duration of the scheme) and Maximum Credit Risk (calculated using the Credit Risk Value).

Offer for Units of Rs. 10 each for cash during the New Fund Offer and Continuous offer for Units at NAV based prices.

Offer for Units of Rs. 10 each for cash during the
New Fund Offer and Continuous offer for Units at NAV based prices

New Fund Offer Opens on: August 5, 2026

New Fund Offer Closes on: August 11, 2026

Scheme re-opens on: August 13, 2026

Name of Mutual Fund	Franklin Templeton Mutual Fund
Name of Asset Management Company	Franklin Templeton Asset Management (India) Pvt. Ltd. CIN - U67190MH1995PTC093356
Name of Trustee Company	Franklin Templeton Trustee Services Pvt. Ltd. CIN - U65991MH1995PTC095500
Addresses of Asset Management Company and Trustee Company	One International Centre, Tower 2, 12th and 13th Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013
Website	www.franklintempletonindia.com

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 2026, (herein after referred to as SEBI (MF) Regulations) as amended till date and circulars issued thereunder filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Franklin Templeton Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on <https://www.franklintempletonindia.com/downloads/fund-documents>.

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.

The Scheme Information Document (Section I and II) should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated July 22, 2026.

Table of Contents

SECTION I.....	1
Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME.....	6
Part II. INFORMATION ABOUT THE SCHEME	11
A.HOW WILL THE SCHEME ALLOCATE ITS ASSETS?	11
B. WHERE WILL THE SCHEME INVEST?	15
C.WHAT ARE THE INVESTMENT STRATEGIES?	16
D.HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?	17
E. WHO MANAGES THE SCHEME?	17
F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?	19
G.HOW HAS THE SCHEME PERFORMED?	20
H. ADDITIONAL SCHEME RELATED DISCLOSURES.....	20
Part III- OTHER DETAILS.....	22
a. COMPUTATION OF NAV	22
b. NEW FUND OFFER (NFO) EXPENSES.....	22
c. ANNUAL SCHEME RECURRING EXPENSES	22
d. LOAD STRUCTURE.....	27
Section II.....	29
I. Introduction.....	29
A. Definitions/interpretation	29
B. Risk factors.....	29
C. Risk Management Strategies	37
II. Information about the scheme	40
A. Where will the scheme invest?.....	40
B. What are the investment restrictions?	57
C. Fundamental Attributes.....	62
D. Other Scheme Specific Disclosures.....	64
III. Other Details.....	80
A. Periodic Disclosures.....	80
B. Transparency/NAV Disclosure	81
C. Transaction charges and stamp duty	81
D. Associate Transactions	82
E. Taxation	82
F. Rights of Unitholders	86
G. List of official points of acceptance	86

H.	Penalties, Pending Litigation or Proceedings	86
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Part I. HIGHLIGHTS/SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	Name of the scheme	Franklin India Short Term Fund (FISTF)
II.	Category of the Scheme	Short Term Fund
III.	Scheme type	An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year to 3 years. Potential Risk Class (PRC) description: Relatively High interest rate risk and Moderate credit risk
IV.	Scheme code	FTMF/O/D /STF/26/06/0053
V.	Investment objective	The objective of the Scheme is to achieve optimal returns over the short term by investing in a diversified set of debt and money market securities. However, there is no assurance that the investment objective of the scheme will be achieved.
VI.	Liquidity/listing details	The Scheme will open for purchase/subscriptions, repurchase/redemption on all Business Days on August 13, 2026. The redemption proceeds will be despatched to the unitholders within the regulatory time limit of 3 working days of the receipt at the Official Point of Accepting Transactions (OPAT) of Mutual Fund. The Scheme is not proposed to be listed.
VII.	Benchmark (Total Return Index)	NIFTY Short Duration Debt Index A-II. The composition of the aforesaid first tier benchmark is such that it is most suited for comparing performance of the scheme. The Trustees reserves right to change benchmark in future for measuring performance of the scheme.
VIII.	NAV disclosure	The NAV will be calculated for every Business Day and can be viewed on www.franklintempletonindia.com and www.amfiindia.com Further details in Section II.
IX.	Applicable timelines	Dispatch of redemption proceeds - Within 3 working days from date of receipt of the valid redemption request at the Official Points of Acceptance of Transactions (OPAT) of the Mutual Fund. In case of exceptional situations, additional time for redemption payment may be taken. This shall be in line with AMFI letter dated January 16, 2023. Dispatch of Payout of Income Distribution cum capital withdrawal (IDCW) option - 7 working days from record date.

X.	Plans and Options Plans/Options and sub options under the Scheme	Plans: • Regular • Direct Options: • Growth • Income Distribution cum capital withdrawal (IDCW) Option (Payout and Reinvestment) Default plan and option: Direct – Growth For detailed disclosure on default plans and options, kindly refer SAI.
XI.	Load Structure	Exit Load: Nil Subject to the Regulations, the Trustee / AMC reserves the right to modify / change the load structure on a prospective basis.
XII.	Minimum Application Amount/switch in	During NFO & on continuous basis: Rs. 5,000 and in multiples of Rs. 1 thereafter
XIII.	Minimum Additional Purchase Amount	Rs.1,000/- and in multiples of Rs. 1 thereafter.
XIV.	Minimum Redemption/switch out amount	Rs. 1,000/- and in multiples of Rs. 1 thereafter
XV.	New Fund Offer Period This is the period during which a new scheme sells its units to the investors.	NFO opens on: August 5, 2026 NFO closes on: August 11, 2026 Minimum duration to be 3 working days and will not be kept open for more than 15 calendar days Any changes in dates will be published through notice on AMC website i.e. https://www.franklintempletonindia.com/downloads/updates
XVI.	New Fund Offer Price: This is the price per unit that the investors have to pay to invest during the NFO.	INR 10/- per unit
XVII.	Segregated portfolio/side pocketing disclosure	AMC may create segregated portfolio in the scheme. For Details, kindly refer SAI
XVIII	Swing pricing disclosure	Swing Pricing Framework may be implemented after following procedure as prescribed by SEBI. For details, kindly refer SAI.

XIX.	Stock lending/short selling	The Scheme may involve in Stock lending/Short selling activities. For Details, kindly refer SAI
XX.	How to Apply and other details	During the NFO and on a continuous basis, investors can subscribe for the Units of the Scheme by completing the Application Form and delivering it at any Investor Service Centre or Collection Centre. KYC complied investor/ Investors who are able to provide necessary information and/or documents to perform KYC can perform a web-based transaction to purchase units of the Scheme on website of the Mutual Fund under the head “Transact Now” (www.franklintempletonindia.com), FT Mobile App or through any other electronic mode introduced from time to time. Please refer to the SAI and the Key Information Memorandum/ Application Form for the instructions. Further details provided in Section II.
XXII.	Investor services	Contact details for general service requests: Good Shepherd Square, 4th Floor, No.82, MGR Salai (Erstwhile Kodambakkam High Road), Chennai- 600034, Tamil Nadu. Tel: 1-800-425-4255 or 1-800-258-4255 (toll-free numbers). International Callers can reach at 91-44-28885200 or 91-44-69030702 (Local call rates apply to both the numbers) from 8.00 a.m. to 9.00 p.m., Monday to Saturday. Email: service@franklintempleton.com Contact details for complaint resolution: Ms. Rini Krishnan has been appointed as the Investor Relations Officer of the AMC. She can be contacted at the above address.
XXIII	Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)	Not Applicable
XXIV	Special product/facility available during the NFO and on ongoing basis	Following facilities are available: • Exchange/Switch • Systematic Investment Plan (SIP) • Step Up SIP • Pause SIP • Any Date SIP • SIP Amount Change • Flexi SIP • Systematic Transfer Plan (STP)

		• Systematic Withdrawal Plan (SWP) • Family Solutions' Facility For Details, kindly refer SAI
XXV.	Weblink	TER for last 6 months, Daily TER as well as scheme factsheet shall be made available on Reports (franklintempletonindia.com) under Total Expense Ratio of schemes and www.franklintempletonindia.com/ downloads/ fund-literature respectively. In case of new launched scheme TER details shall be available from the first NAV date.

DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

- (i) The Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 2026 and the guidelines and directives issued by SEBI from time to time.
- (ii) All legal requirements connected with the launching of the Scheme as also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
- (iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the Scheme.
- (iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.
- (v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct
- (vi) The AMC has complied with the compliance checklist applicable for Scheme Information Documents and other than cited deviations/ that there are no deviations from the regulations
- (vii) Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the guidelines there under shall be applicable.
- (viii) The Trustees have ensured that the Franklin India Short Term Fund approved by them is a new product offered by Franklin Templeton Mutual Fund and is not a minor modification of any existing scheme/fund/product

Date: July 22, 2026
Place: Mumbai

Sd/-
Name: Saurabh Gangrade
Designation: Compliance Officer

Part II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal market circumstances, the investment range would be as follows:

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Debt and Money Market Instruments including government securities	0	100

The Fund shall have a Macaulay Duration of the portfolio between 1 year to 3 years. To reduce the risk of the portfolio, the Scheme may use various derivative and hedging products from time to time, in the manner permitted by SEBI.

In accordance with Clause 13.18 of SEBI Master Circular for Mutual Funds dated March 20, 2026, the cumulative gross exposure through debt, money market instruments, derivative positions, repo transactions, other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time, will not exceed 100% of the net assets of the scheme.

However, cash or cash equivalents with residual maturity of less than 91 days shall be treated as not creating any exposure. SEBI, vide letter dated November 3, 2021, has clarified that Cash Equivalent shall consist of the following securities having residual maturity of less than 91 days:

- Government Securities,
- T-Bills and
- Repo on Government Securities

Further, a part of the total assets may be invested in the Tri-Party Repos on Government Securities or Treasury Bills (TREPS) to meet the liquidity requirements subject to regulatory approval, if any.

Indicative Table (Actual instrument/percentages may vary subject to applicable SEBI circulars)

Sl. No	Type of Instrument	Percentage of Exposure (% of total assets)	Circular References
1.	Securities Lending	A maximum of 40% of net assets may be deployed in securities lending and the maximum single party exposure may be restricted to 10% of net assets outstanding at any point of time.	Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026

Sl. No	Type of Instrument	Percentage of Exposure (% of total assets)	Circular References
		Presently, Securities lending and borrowing (SLB) is an Exchange traded product. Counterparty is not known for transactions carried out under SLB segment and they are guaranteed by Clearing Corporations and hence do not carry any counter party risk. Accordingly, single party exposure limit will not apply to trades on Stock Exchange platform. Single party exposure limits can only apply in case of OTC (over the counter) trades where counterparty can be identified.	
2.	Debt Derivatives for hedging/non hedging purpose	Up to 100% of net assets. The Scheme may use derivatives for such purposes as may be permitted by the Regulations, including for the purpose of hedging and portfolio balancing, based on the opportunities available and subject to guidelines issued by SEBI from time to time. Up to 20% of Net assets for imperfect hedging	Para 8.5, 8.6 and 13.15 of SEBI Master Circular on Mutual Funds dated March 20, 2026
3.	Securitized Debt	Up to 50%	Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026
4.	Repo/ reverse repo transactions in corporate debt securities	Up to 10%	Para 13.8 of SEBI Master Circular on Mutual Funds dated March 20, 2026
5.	Debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and/or convertible to equity upon trigger of a pre-specified event for loss	Up to 10% of Net assets and not more than 5% of net assets in instruments issued by a single issuer	Chapter 13 of SEBI Master Circular on Mutual Funds dated March 20, 2026

Sl. No	Type of Instrument	Percentage of Exposure (% of total assets)	Circular References
	absorption (For eg. Additional Tier I bonds and Tier 2 bonds issued under Basel III framework)		
6.	Debt instruments with Credit enhancement/structured obligations	Up to 10% of the debt portfolio of the scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the schemes	Para 13.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026
7.	Short Selling in debt instruments	The scheme will not engage in Short Selling.	Para 13.6 of SEBI Master Circular on Mutual Funds dated March 20, 2026
8.	Overseas Securities	The scheme will not invest in Overseas Securities	Para 13.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026
9.	Credit Default Swap transactions	The scheme will not engage in Credit Default Swap Transactions	Para 13.17 of SEBI Master Circular on Mutual Funds dated March 20, 2026
10.	Units of InVITs	The scheme will not invest in InVITs	Para 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026
11.	Other Mutual Funds	The scheme will not invest in other mutual fund units	Para 3.8.2 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and FAQs issued by AMFI dated May 4, 2026
12.	Tri-party repos	Upto 100% of net assets	Not applicable

The scheme shall maintain liquid assets in the form of Redemption at Risk (LR-RaR) and Conditional Redemption at Risk (LR-CRaR) which shall be atleast 10% of net assets of the scheme or as prescribed at Annexure 1 of AMFI Best Practices Guidelines Circular No.93 / 2021-22 dated

July 24, 2021, whichever is higher. The schemes shall maintain the above two ratios at 100% of the requirement on a daily basis.

However, to meet redemptions, AMCs may have to periodically dip into their liquid assets which may result in the liquidity ratio dropping below 100% on those days. To factor in such scenarios, the scheme shall ensure that the ratio is restored to 100% of the requirement by ensuring the net inflows (through net subscription/accruals/ maturity & sale proceeds) into the scheme are used for restoring the ratios before making new purchases outside 'Eligible Assets'. In case the ratio remains below 100% for more than 15 consecutive days, then, this information shall be highlighted to Trustees till such time the said ratio is not restored to 100% of the requirement on weekly basis. In respect to asset allocation limits as provided in above table, the base shall be considered as net assets excluding the extent of minimum stipulated eligible assets i.e. higher of 10% of net assets or LR-CRaR as prescribed at Annexure 1 of AMFI Best Practices Guidelines Circular No.93 / 2021-22 dated July 24, 2021.

It must be clearly understood that the percentages stated above are only indicative and not absolute and that they can vary substantially (subject to and within the maximum limits prescribed above) depending upon the perception of the Investment Manager, the intention being at all times to seek to protect the interests of the Unit holders. The asset allocation pattern described above may alter from time to time on a short-term basis on defensive considerations (As per Para 1.9.1b(ii) of SEBI Master circular on Mutual Funds dated March 20, 2026), keeping in view market conditions, market opportunities, applicable regulations and political and economic factors (i.e., for reasons other than downgrade in rating) and would, in such cases, shall be rebalanced within 30 calendar days from date of deviation. However, if the asset allocation pattern is to be altered for other reasons, as this is a fundamental attribute, the procedure outlined in the paragraph on fundamental attributes below, shall be followed.

In accordance with the requirement of regulation 40 of SEBI (Mutual Funds) Regulations, 2026 read with Chapter 18 of SEBI Master Circular for Mutual Funds dated March 20, 2026 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM in the units of the Corporate Debt Market Development Fund ('CDMDF') within 10 working days from the request of CDMDF. Further, an incremental contribution to CDMDF shall be made every six months within 10 working days from the end of half year to ensure 25 bps of scheme AUM is invested in units of CDMDF. However, if AUM decreases there shall be no return or redemption from CDMDF. Contribution made to CDMDF, including the appreciations on the same, if any, shall be locked-in till winding up of the CDMDF.

However, in case of winding up of contributing Scheme, inter-scheme transfers within the same Mutual Fund or across Mutual Funds may be undertaken.

Further, investments in CDMDF units shall not be considered as violation while considering maturity restriction as applicable for various purposes (including applicable Investment limits) and the calculations of Potential Risk Class (PRC) Matrix, Risk-o-meter, Stress testing and Duration for various purposes shall be done after excluding investments in units of CDMDF.

Portfolio rebalancing:

In the event of deviations, the portfolio will be rebalanced Paragraph 1.9.1(b), Paragraph 3.11, Paragraph 4.4.5(i) and Paragraph 4.5.5 of SEBI Master Circular for Mutual Funds. In the event of deviation from mandated asset allocation mentioned in the Scheme Information Document (SID) due to passive breaches (occurrence of instances not arising out of omission and commission of AMCs), rebalancing period shall be 30 Business Days. Where the portfolio is not rebalanced within 30 Business Days justification in writing, including details of efforts taken to rebalance the portfolio shall be placed before the Investment Committee. The Investment committee shall then decide on the course of action. The Investment Committee, if so desires, can extend the timelines up to sixty (60) business days from the date of completion of the mandated rebalancing period. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

As per Para 3.11 of SEBI Master Circular on Mutual Funds dated March 20, 2026 all the reporting and disclosure requirements shall be complied with. This includes disclosure to investors in case the AUM of deviated portfolio is more than 10% of the AUM of main portfolio of scheme.

B. WHERE WILL THE SCHEME INVEST?

Subject to the SEBI Regulations, investment objective, and the asset allocation pattern mentioned above, the Scheme may invest in various types of instruments including, but not limited to, any of the following:

1. Securities issued, guaranteed, or supported by the Central Government or any state government and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon-bearing bonds, zero-coupon bonds, and treasury bills). Such securities could be fixed rate, fixed interest rate with put/call option, zero-coupon bond, floating rate bonds, capital indexed bonds, fixed interest security with staggered maturity payment, etc.
2. Securities issued by any domestic government agencies, quasi-government or statutory bodies, Public Sector Undertakings, which may or may not be guaranteed or supported by the Central Government or any state government.
3. Domestic non-convertible securities as well as non-convertible portion of convertible securities, such as debentures, coupon-bearing bonds, zero-coupon bonds, deep discount bonds, Mibor-linked or other floating rate instruments, premium notes, and other debt securities or obligations of public sector undertakings, banks, financial institutions,

corporations, companies, and other bodies corporate as may be permitted by SEBI/RBI from time to time.

4. Domestic securitised debt, pass-through obligations, various types of securitisation issuances including but not limited to Asset-Backed Securitisation, Mortgage-Backed Securitisation, single loan securitisation, and other domestic securitisation instruments, and so on as may be permitted by SEBI from time to time.
5. Domestic Commercial Paper (CP), Certificate of Deposits (CD), Bills Rediscounting, CBLO, Repo, Reverse Repo, Treasury Bills, Triparty Repo, and other Money Market Instruments as may be permitted by SEBI/RBI from time to time.
6. Domestic derivatives including Interest Rate Futures, Interest rate swaps, Forward Rate Agreements, imperfect hedging, and other derivative instruments as permitted by SEBI from time to time.
7. Deposits with domestic banks and other bodies corporate as may be permitted by SEBI from time to time.
8. Floating rate debt instruments issued by Central Government, corporates, PSUs, etc., with coupon reset periodically. The Fund Manager will have the flexibility to invest the debt component into floating rate debt securities to reduce the impact of rising interest rates in the economy.
9. Repo/ reverse repo of corporate debt securities.
10. Debt Instruments with Credit Enhancement/structured obligations.
11. Units of Corporate Debt Market Development Fund.
12. Any other domestic debt and money market instruments that may be available or evolve with the development of the securities markets and as may be permitted by SEBI from time to time.

The securities mentioned in the asset allocation pattern could be listed, unlisted, privately placed, secured or unsecured, rated or unrated, and of any maturity. The securities may be acquired through secondary market purchases, Initial Public Offering (IPO), other public offers, Private Placement, right offers (including renunciation), and negotiated deals.

C. WHAT ARE THE INVESTMENT STRATEGIES?

To achieve the investment objective of generating regular income in the short term, the scheme will invest in debt and money market instruments. The scheme will actively manage a portfolio of Debt & Money Market instruments such that the Macaulay duration of the portfolio is between 1 and 3 years.

The scheme may also invest in debt derivatives as stated in the indicative table. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not

always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

For detailed derivative strategies, please refer to SAI.

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

The Mutual Fund has identified NIFTY Short Duration Debt Index A-II as the benchmark index for the Scheme, with which the performance of the Scheme can be compared with

The composition of the aforesaid first tier benchmark is such that it is most suited for comparing performance of the scheme. As per clause 7.22 of Master Circular for Mutual Funds dated March 20, 2026 requires mutual funds to adopt first tier benchmarks for open ended debt schemes, as per the Potential Risk Class (PRC) matrix, as notified by AMFI. Accordingly, the benchmark is selected from the benchmarks notified by AMFI for the category of scheme in line with the Scheme's PRC level/credit risk level (as available for the benchmark). The performance will be benchmarked to the Total Returns Variant of the Index.

The Trustee reserves the right to change the benchmark for evaluation of performance of the Scheme from time to time in conformity with the investment objectives and appropriateness of the benchmark subject to SEBI (MF) Regulations, and other prevailing guidelines, if any

E. WHO MANAGES THE SCHEME?

Fund Manager	Tenure of managing the scheme
Rohan Maru	Since inception of the scheme
Anuj Tagra	Since inception of the scheme
Rahul Goswami	Since inception of the scheme

Name	Qualifications	Functions & Experience	Scheme Managed
Anuj Tagra Age: 43 Years Total Experience: 19 Years	BBA (Finance) MBA (Capital Markets)	Prior assignments • ICICI Prudential Asset Management Company. Ltd. - AVP-Fund Manager, Fixed Income (Feb 2013 - Feb	• Franklin India Aggressive Hybrid Fund • Franklin India Government Securities Fund • Franklin India Corporate Debt Fund • Franklin India Retirement Fund

Name	Qualifications	Functions & Experience	Scheme Managed
		2024). • Union Bank of India – Trader - GILTS & OIS (Jun 2009 – Feb 2013) • Fidelity International- CSA – New Accounts, Associate (Jan 2005 – May 2007)	- Franklin India Banking & PSU Debt Fund - Franklin India Equity Savings Fund - Franklin India Balanced Advantage Fund - Franklin India Medium to Long Duration Fund - Franklin India Long Duration Fund
Rohan Maru Age: 41 years Total Years of Experience: 18 Years	PGeMBA – Mumbai Education Trust (Finance) Masters in Commerce – RA Podar College, Mumbai University Bachelors in management studies – VES College, Mumbai University.	Vice President-Portfolio Manager, Fixed Income (based in Mumbai). Prior Assignments (last 10 years): ICICI Prudential Asset Management Company Pvt Ltd (05 November 2012 till 27 September 2024)	- Franklin India Conservative Hybrid Fund - Franklin India Floating Rate Fund - Franklin India Liquid Fund - Franklin India Money Market Fund - Franklin India Overnight Fund - Franklin India Equity Savings Fund - Franklin India Ultra Short Duration Fund - Franklin India Arbitrage Fund - Franklin India Low Duration Fund
Rahul Goswami Age: 53 years Total Experience: 30 years	BSc. (Mathematics), MBA (Finance)	Chief Investment Officer & Managing Director – Fixed Income (based at Mumbai). He is responsible for overseeing Fixed Income Fund Management. With effect from August 1, 2023. Prior assignments: ICICI Prudential Asset Management Co. Ltd - Chief Investment Officer- Fixed Income -	- Franklin India Conservative Hybrid Fund - Franklin India Government Securities Fund - Franklin India Corporate Debt Fund - Franklin India Money Market Fund - Franklin India Balanced Advantage Fund - Franklin India Ultra Short Duration Fund - Franklin India Low Duration Fund

Name	Qualifications	Functions & Experience	Scheme Managed
		September 2012 to July 2023 - Standard Chartered Bank – Head – Primary Dealer – November 2009 to September 2012. - ICICI Prudential Asset Management Co. Ltd – Senior Fund Manager – July 2004 to November 2009. - Franklin Templeton Asset Management Co. (I) Pvt. Ltd – Asst. Vice President – Fixed Income – October 2002 to July 2004.	

F. HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?

Franklin Templeton Mutual Fund does not have any other scheme under Short Term Fund category.

The existing open-ended debt schemes of the Mutual fund are as stated below:

Debt schemes	Scheme Category
Franklin India Floating Rate Fund	Floater Fund
Franklin India Money Market Fund	Money Market Fund
Franklin India Corporate Debt Fund	Corporate Bond Fund
Franklin India Liquid Fund	Liquid Fund
Franklin India Government Securities Fund	Gilt Fund
Franklin India Banking and PSU Debt Fund	Banking and PSU Fund
Franklin India Overnight Fund	Overnight Fund
Franklin India Medium to Long Duration Fund	Medium to Long Duration Fund
Franklin India Ultra Short Duration Fund	Ultra Short Duration Fund
Franklin Long Duration Fund	Long Duration Fund
Franklin India Low Duration Fund	Low Duration Fund

For detailed comparative table of the aforesaid schemes, please click here:
<https://www.franklintempletonindia.com/download/en-in/odd-table-bw-schemes/77b11672-39af-4c36-aa6e-e6865dacbf67/Detailed-Comparative-table-of-existing-schemes.pdf>..

G. HOW HAS THE SCHEME PERFORMED?

This is a new scheme and does not have any performance track record

H. ADDITIONAL SCHEME RELATED DISCLOSURES

1. **Scheme's portfolio holdings (top 10 holdings by issuer and fund allocation towards various sectors to be provided through a functional website link that contains detailed description.)** - Not applicable as this is a new scheme
2. **Disclosure of name and exposure to Top 7 issuers, stocks, groups and sectors as a percentage of NAV of the scheme in case of debt and equity ETFs/index funds through a functional website link that contains detailed description** - Not applicable for this scheme
3. **Functional website link for Portfolio Disclosure - Fortnightly / Monthly** - Not applicable as this is a new scheme. The same will be available on the below link hereinafter- [Fund Documents](#)
4. **Functional website link to the respective addendums to the SID after the last update of SID** - Not applicable as this is a new scheme. The same will be available on the below link hereinafter:- [Fund Documents](#)
5. **Portfolio Turnover Ratio** - Not applicable as this is an open ended debt scheme
6. **Aggregate investment in the Scheme by:**

Sr. No.	Category of Persons	Net Value		Market Value (in Rs.)
		Units	NAV per unit	
1	Concerned scheme's Fund Manager(s)	Not applicable as this is a new scheme.		

For any other disclosure w.r.t investments by key personnel and AMC directors including regulatory provisions in this regard kindly refer SAI.

7. **Investments of AMC in the Scheme** - Franklin Templeton Asset Management (India) Private Limited, the asset management company may invest in the Scheme. However, as per SEBI (Mutual Funds) Regulations, 2026, Franklin Templeton Asset Management (India) Private Limited will not charge any

Investment Management Fee for its investment in the Scheme. In addition, the funds managed by the sponsors, Franklin Templeton Group may invest in the Scheme.

The details are provided on [Fund Documents](#) under AMC reports.

8. Risk-o-meter shall be evaluated on a monthly basis and the Risk-o-meter shall be disclosed along with portfolio disclosure on FTMF website ([Product Labels-jg9o5k7l-en-in.pdf](#)) and on AMFI website within 10 days from the close of each month
9. Scheme Summary Document (SSD) shall be updated on a Monthly basis or on changes in any specified fields, whichever is earlier. The same shall be uploaded on websites of FTMF ([Fund Documents](#)), AMFI and stock exchanges.

Part III- OTHER DETAILS

a. COMPUTATION OF NAV

The Net Asset Value (NAV) is the value of a Unit and is computed as shown below:

NAV	=	Market Value of the scheme's investments + other assets (including accrued interest) - all liabilities except unit capital & reserves
(Rs. Per unit)		Number of units outstanding at the end of the day

For example, if the market value of securities of a mutual fund scheme is INR 200 lakh and the mutual fund has issued 10 lakh units of INR 10 each to the investors, then the NAV per unit of the fund is INR 20 (i.e. 200 lakh/10 lakh).

The NAV will be normally computed for all Business Days of the Scheme and will be calculated to four decimals using standard rounding criteria.

While determining the price of the units, the mutual fund shall ensure that the repurchase price of an open ended scheme is not lower than 97 per cent of the Net Asset Value.

Valuation of the scheme's assets, calculation of the scheme's NAV and the accounting policies & standards will be subject to such norms and guidelines that SEBI may prescribe from time to time. For the detailed Valuation Policy and the accounting policy of the AMC, please refer the Statement of Additional Information.

For other details such as policies w.r.t computation of NAV, procedure in case of delay in disclosure of NAV etc. refer to SAI.

b. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like marketing and advertising, registrar expenses, printing and stationery, bank charges etc during the New Fund Offer and shall be borne by the AMC.

c. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' fee, marketing and selling costs etc. as given in the table below.

The AMC has estimated that upto 1.85% of the daily average net assets of the scheme will be charged to the scheme as Base Expense Ratio. For the actual current expenses being charged, the investor should refer to the website of the mutual fund:
<https://www.franklintempletonindia.com/reports?secondFilter=15>

In accordance with Regulations, the asset management company (“AMC”) is entitled to charge the scheme with investment and advisory fees. In addition to such fees, the AMC may charge the scheme such expenses as may be permitted under Regulations from time to time.

The maximum annual recurring expenses that can be charged to the Scheme shall be within the limits stated in Regulations 66 and 67 read with SEBI notification no. SEBI/LAD-NRO/GN/2026/294 dated January 14, 2026 and Para 11 of Master Circular on Mutual Funds dated March 20, 2026, as follows:

(1) **Base Expense Ratio (BER)** as per Regulation 66(7) - This will be the sum of Investment management and advisory fee as per Regulation 66(4), Recurring expenses of the scheme as per Regulation 66(5) and Charges/ Commission/ fees related to distribution of the scheme as per Regulation 66(6) subject to the limits specified in the table below (as % of daily net assets) as mentioned in the revised SEBI (Mutual Funds) Regulations, 2026 under Regulation 66 (7)(c). The BER of the scheme will exclude statutory levy applicable, if any, on the said expenses and transaction cost specified under Regulation 66 (10).

on the first Rs. 500 crores	1.85%
on the next Rs. 250 crores	1.65%
on the next Rs. 1,250 crores	1.40%
on the next Rs. 3,000 crores	1.25%
on the next Rs. 5,000 crores	1.15%
On the next Rs. 40,000 crores	Total expense ratio reduction of 0.05% for every increase of Rs.5,000 crores of daily net assets or part thereof.
Above Rs. 50,000 crores	0.70%

The Scheme may charge the following expenses, over and above BER, subject to regulatory limits specified.

(2) **Brokerage costs as per Regulation 66(9)** - expenses incurred for the purpose of execution of trade up to 0.06% of trade value in case of cash market transactions and 0.02% of trade value in case of derivatives transactions. The brokerage costs incurred in excess of the said limit, shall be a part of the BER limit specified under Regulation 66(7).

(3) **Transaction cost as per Regulation 66(10)** - Transaction Cost incurred for the purpose of execution of a trade i.e. regulatory levies and any other expenses charged by the stock exchanges, clearing corporation, and clearing house, as applicable

(4) **Statutory levies as defined in Regulation 2(yy)** includes levies imposed by the state and central government on expenses charged as per Regulation 66(7), 66(9) and 66(10) i.e. Goods and Services Tax (GST), Security Transaction Tax (STT), Stamp duty etc. at actuals

(5) **Total Expense Ratio as per Regulation 67** - means the sum of all expenses charged within the BER as specified under Regulation 66(7), brokerage cost as specified under Regulation 66(9), transaction cost as specified under Regulation 66(10) and statutory levies charged to the investors

Any expenses in excess of the above limits shall be borne by the asset management company or trustee or sponsors after investment and advisory fees charged to the scheme, if any, is fully reversed

Any expenses other than those specified in sub regulation (4), sub regulation (5), sub regulation (6), sub regulation (9) and sub regulation (10) and statutory levies at actuals, shall be borne by the asset management company or trustee or sponsors

Within such total recurring expenses charged to the scheme as above, the investment management and advisory fee (charged as a percentage of daily net assets) would be as decided by the AMC from time to time, provided that the investment management and advisory fee shall not exceed **Regulation 66(7)**.

The AMC has estimated the following recurring expenses for the first Rs.500 crores of Average Daily Net Assets:

Expense Head	% p.a. of daily Net Assets* (Estimated p.a.)
A) Maximum Base expenses ratio (BER) permissible under Regulation 66(7)(c) 1. Investment Management & Advisory Fee 2. Audit fees/fees and expenses of trustees 3. Custodial Fees 4. Registrar & Transfer Agent Fees including cost of providing account statements / IDCW / redemption cheques/ warrants 5. Marketing & Selling Expenses including fees, commission and charges towards distribution of mutual fund schemes 6. Costs related to investor communications 7. Costs of fund transfer from location to location 8. Cost towards investor education, awareness and financial inclusion (IAP Expenses)* 9. Brokerage Cost (excluding Goods and Service Tax) incurred for the purpose of execution of trade in excess limits specified in sub regulation 66(9) 10. Cost of statutory advertisements 11. Other Expenses (as may be specified or approved by the Board)	1.85%
Maximum Base expenses ratio (BER) permissible under Regulation 66 (7)(C)	A

Expense Head	% p.a. of daily Net Assets* (Estimated p.a.)
B) Brokerage costs incurred for the purpose of trade as per Regulation 66 (9) - up to 0.06% / 0.02% of trade value	at actuals
C) Transaction Cost incurred for the purpose of execution of trades as per Regulation 66 (10)	at actuals
D) Statutory levies (including GST) on all expenses excluding brokerage and transaction cost	at actuals (calculated as per applicable rates)
E) Statutory levies (including GST) on brokerage and transaction cost	at actuals (calculated as per applicable rates)
Total expenses ratio (TER) permissible under Regulation 67	A+B+C+D+E

*The investments under 'Direct' shall have a lower expense ratio excluding distribution expenses, commission, etc., and no commission shall be paid on investments under Direct Plan. The Direct Plan shall also have a separate NAV

**As per Para 11.9.1 of SEBI Master Circular on Mutual Funds dated March 20, 2026, the AMC shall annually set apart at least 0.02% on daily net assets within the maximum limit of BER as per Regulation 66(7) for investor education and awareness initiatives

All scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily be paid from the scheme only within the regulatory limits and not from the books of the AMC, its Associate, Sponsor, Trustee or any other entity through any route.

However, expenses that are very small in value but high in volume may be paid out of AMC's books at actuals or not exceeding 2 bps of respective scheme AUM, whichever is lower. A list of such miscellaneous expenses will be as provided by AMFI in consultation with SEBI.

Additional incentives to distributors for onboarding new individual investors from B-30 cities and women investors

Pursuant to Clause 11.6 of SEBI Master Circular No. HO/24/13/11(1)/2026-IMD-POD-1/I/7602/2026 dated March 20, 2026, effective March 1, 2026, additional incentives as detailed below shall be payable to distributors for onboarding new individual investors from B-30 cities and women investors. Such incentives shall be paid out of the IAP expenses mandated to be set apart annually by AMCs, subject to adequate claw-back provisions and the terms and conditions specified therein.

B-30 cities shall mean top 30 cities based on AMFI data on 'AUM by Geography - Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year.

Incentive Structure Applicable

Investment Mode	Commission Structure
Lump Sum Investment	1% of the amount of the first application, subject to a maximum of INR 2,000, provided the investor remains invested for a minimum period of one year
Systematic Investment Plan (SIP)	1% of the total investment made during the first year, subject to a maximum of INR 2,000

The above estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se and types of the expenses charged shall be as per the Regulations.

For the actual Annual Scheme Recurring expenses currently being charged, the investor should refer to <https://www.franklintempletonindia.com/reports?secondFilter=15>

The tables relating to Annual Scheme Recurring Expenses given above and the Load structure given below have been given to the investor to assist him / her in understanding the various costs and expenses that an investor of the scheme will bear directly or indirectly.

The direct expenses incurred by each scheme of Franklin Templeton Mutual Fund shall be chargeable to that scheme. The common expenses incurred on various schemes could be allocated to the schemes based on various parameters such as number of unitholders, the size of the corpus / assets, equally or any other basis in conformity with generally accepted accounting principles.

Illustration of expenses and impact on the return						
	Regular Plan			Direct Plan*		
Details	Amount	Units	NAV Per Unit	Amount	Units	NAV Per Unit
Opening Investment and NAV Per Unit for the Day (a)	1,000,000	100,000	10.0000	1,000,000	100,000	10.0000
Closing Investment and NAV Per Unit for the Day (b)	1,099,940	100,000	10.9994	1,099,970	100,000	10.9997
NAV Movement (c = a - b)	99,940		0.9994	99,970		0.9997
Return for the Day after expenses (d = (c / a) %)	9.9940%		9.9940%	9.9970%		9.9970%

TER % (e)	2%			1%		
Distribution Expenses % (j)	1%					
Expenses for the Day (f = (b * e)/365 days)	60		0.0006	30		0.0003
Impact on Return due to Expenses % (g = (f / a) %)	0.0060%			0.0030%		
Value of investment prior to expense (h = b + f)	1,100,000		11.0000	1,100,000		11.0000
Return prior to expenses for the Day (i = d + g)	10.00000%			10.00000%		

*The investments under 'Direct' has lower expense ratio excluding distribution expenses, commission, etc., and no commission is paid on investments under Direct Plan. The Direct Plan also has a separate NAV as illustrated above.

Notes:

The above illustration is provided only to explain the impact of expense ratio on scheme's returns, and not to be construed as providing any kind of investment advice or guarantee on returns on investments.

The Expense are charged on the closing asset under management and are subject to change on a periodic basis.

The tax impact has not been considered in the above illustration. In view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes

d. LOAD STRUCTURE

Exit Load is an amount which is paid by the investor to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time. For the current applicable structure, please visit Franklin Templeton India's website (<https://www.franklintempletonindia.com/funds-and-solutions/funds-explorer/all-mutual-funds>) or call at 1800 425 4255 or 1800 258 4255 (Please prefix the city STD code if calling from a mobile phone. Local call rates apply to both the number) or contact your distributor.

Type of Load	Load chargeable (as %age of NAV)
Exit	Nil

The AMC/Trustee reserves the right to modify the Load/Fee mentioned above at any time in future on a prospective basis, subject to the limits prescribed under the SEBI Regulations. For the information of the investors, any introduction / change of load in the Scheme may be put up on the website of the Mutual Fund (<https://www.franklintempletonindia.com/downloads/updates>). The addendum detailing the changes may be circulated among the Investor Service Centres / Distributors / Brokers under directions to display it at their respective offices in form of a Notice and attach it to the copies of Scheme Information Documents and Key Information Memorandum (if

required) already in stock. The load may also be disclosed in the account statement issued after the introduction of such load.

The investor is requested to check the prevailing load structure of the scheme before investing.

All loads collected on units shall be retained in the Fund and maintained in a separate account and would strictly and fully be utilised by the Investment Manager in providing distribution related services to the Mutual Fund relating to the sale, promotion, advertising and marketing of Units of the Scheme, including payments to brokers / registrars for their services in connection with the distribution of the Units. Any surplus in this account may be credited to the scheme, whenever felt appropriate by the AMC.

Credit of exit load to scheme:

Exit load (if any) charged to the unit holders by the Mutual Fund on redemption (including switch-out) of units shall be credited to the respective scheme net of goods and service tax. Goods and Service tax on exit load, if any, shall be paid out of the exit load proceeds.

Section II

I. Introduction

A. Definitions/interpretation

In this SID, all references to “U.S.\$” or “\$” are to United States of America Dollars and “Rs.” are to Indian Rupees.

For detailed description please click the link: [Definitions scheme-docs.pdf](#)

B. Risk factors

Some of the specific risk factors related to the Scheme include, but are not limited to the following:

1. Risk Factors associated with investment in Fixed Income Securities

- **Market Risk/Interest Rate Risk:** The Net Asset Value (NAV) of the Scheme(s), to the extent invested in Debt and Money Market securities, will be affected by changes in the general level of interest rates. The NAV of the Scheme(s) is expected to increase from a fall in interest rates while it would be adversely affected by an increase in the level of interest rates.
- **Liquidity Risk:** The liquidity of a security may change depending on market conditions leading to changes in the liquidity premium linked to the price of the security. At the time of selling the security, the security can become illiquid leading to loss in the value of the portfolio.
- **Credit Risk:** Investments in Fixed Income Securities are subject to the risk of an issuer's inability to meet interest and principal payments on its obligations and market perception of the creditworthiness of the issuer.
- **Price Risk:** Government securities where a fixed return is offered run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates. The new level of interest rate is determined by the rates at which government raises new money and/or the price levels at which the market is already dealing in existing securities. The price-risk is not unique to Government Securities. It exists for all fixed income securities. However, Government Securities are unique in the sense that their credit risk generally remains zero. Therefore, their prices are influenced only by movement in interest rates in the financial system.
- **Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme are reinvested. The additional income from reinvestment is the “interest on interest” component. The risk is that the

rate at which interim cash flows can be reinvested may be lower than that originally assumed.

- Regulatory Risk: Changes in government policy in general and changes in tax benefits applicable to Mutual Funds may impact the returns to investors in the Scheme.
- Risks associated with investment in unlisted securities: Except for any security of an associate or group company, the scheme can invest in securities which are not listed on a stock exchange (“unlisted Securities”) which in general are subject to greater price fluctuations, less liquidity and greater risk than those which are traded in the open market. Unlisted securities may lack a liquid secondary market and there can be no assurance that the Scheme will realise their investments in unlisted securities at a fair value. The AMC may choose to invest in unlisted securities that offer attractive yields. This may increase the risk of the portfolio.
- Settlement risk: The inability of the Schemes to make intended securities purchases due to settlement problems could cause the Schemes to miss certain investment opportunities. By the same rationale, the inability to sell securities held in the Schemes’ portfolio due to the extraneous factors that may impact liquidity would result, at times, in potential losses to the Scheme, in case of a subsequent decline in the value of securities held in the Schemes’ portfolio.
- Different types of fixed income securities in which the Scheme(s) would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the Scheme(s) risk may increase or decrease depending upon its investment pattern. e.g. corporate bonds carry a higher level of risk than Government securities.
- The AMC may, considering the overall level of risk of the portfolio, invest in lower rated / unrated securities offering higher yields as well as zero coupon securities that offer attractive yields. This may increase the absolute level of risk of the portfolio.
- As zero coupon securities does not provide periodic interest payments to the holder of the security, these securities are more sensitive to changes in interest rates. Therefore, the interest rate risk of zero coupon securities is higher. The AMC may choose to invest in zero coupon securities that offer attractive yields. This may increase the risk of the portfolio.
- The Scheme(s) at times may receive large number of redemption requests, leading to an assetliability mismatch and therefore, requiring the investment manager to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments.

2. Risks associated with investments in Gilt Securities

Generally, when interest rates rise, prices of fixed income securities fall and when

interest rates drop, the prices increase. The extent of fall or rise in prices is a function of the existing coupon, days to maturity and the increase or decrease in interest rates. Price risk is not unique to government securities but is true for all fixed income securities. The default risk however, in respect of Government securities is zero. Therefore, their prices are influenced only by movement in interest rates in the financial system. On the other hand, in the case of corporate or institutional fixed income securities, such as bonds or debentures, prices are influenced by credit standing of the issuer as well as the general level of interest rates.

Even though the Government securities market is more liquid compared to other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through.

3. Risks associated with Repo in Corporate Debt

- Lending transactions: The scheme may be exposed to counter party risk in case of repo lending transactions in the event of the counterparty failing to honour the repurchase agreement. However in repo lending transactions, the collateral may be sold and a loss is realized only if the sale price is less than the repo amount. The risk may be further mitigated through overcollateralization (the value of the collateral being more than the repo amount). Further, the liquidation of underlying securities in case of counterparty default would depend on liquidity of the securities and market conditions at that time. It is endeavoured to mitigate the risk by following an appropriate counterparty selection process, which include their credit profile evaluation and over-collateralization to cushion the impact of market risk on sale of underlying security.
- Borrowing transactions: In the event of the scheme being unable to pay back the money to the counterparty as contracted, the counter party may dispose of the assets (as they have sufficient margin). This risk is normally mitigated by better cash flow planning to take care of such repayments. Further, there is also a Credit Risk that the Counterparty may fail to return the security or Interest received on due date. It is endeavoured to mitigate the risk by following an appropriate counterparty selection process, which include their credit profile evaluation. Further, there is also a Credit Risk that the Counterparty may fail to return the security or Interest received on due date. It is endeavoured to mitigate the risk by following an appropriate counterparty selection process, which include their credit profile evaluation.

4. Risks associated with investing in Derivatives:

- The Schemes may use various derivative products as permitted by the Regulations. Use of derivatives requires an understanding of not only the underlying instrument

but also of the derivative itself. Other risks include the risk of mis-pricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.

- The Fund may use derivatives instruments like Interest Rate Swaps, Forward Rate Agreements or other derivative instruments for the purpose of hedging and portfolio balancing, as permitted under the Regulations and guidelines. Usage of derivatives will expose the Schemes to certain risks inherent to such derivatives.
- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
- Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. The risks associated with the use of derivatives are different from or possibly greater than the risks associated with investing directly in securities and other traditional investments.

- The specific risk factors arising out of a derivative strategy used by the Fund Manager may be as below:
 - Lack of opportunity available in the market.
 - The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
 - Execution Risk: The prices which are seen on the screen need not be the same at which execution will take place.
 - Basis Risk: This risk arises when the derivative instrument used to hedge the underlying asset does not match the movement of the underlying asset being hedged.
 - Exchanges could raise the initial margin, variation margin or other forms of margin on derivative contracts, impose one sided margin or insist that margins be placed in cash. All of these might force positions to be unwound at a loss and might materially impact returns.

- **Unhedged derivative positions**

Unhedged derivative positions in portfolio may introduce heightened market and volatility risk due to embedded leverage and absence of offsetting exposures. These positions are subject to basis risk, valuation and execution uncertainties, and may be difficult to unwind in stressed market conditions. Additionally, changes in margin requirements and the complexity of derivative structures can further amplify losses and impact liquidity, making such exposures significantly more sensitive to adverse

market movements.

- **Risk Factors with respect To Imperfect Hedging Using Interest Rate**

An Interest Rate Futures is an agreement to buy or sell a debt instrument at a specified future date at a price that is fixed today. Interest Rate Futures are Exchange traded. These future contracts are cash settled.

- Perfect Hedging means hedging the underlying using IRF contract of same underlying.
- Imperfect hedging means the underlying being hedged and the IRF contract has correlation of closing prices of more than 90%.

In case of imperfect hedging, the portfolio can be a mix of:

- Corporate Bonds and Government securities or
- Only Corporate debt securities or
- Only government securities with different maturities

Risk associated with imperfect hedging includes:

- Basis Risk: The risk arises when the price movements in derivative instrument used to hedge the underlying assets does not match the price movements of the underlying assets being hedged. Such difference may potentially amplify the gains or losses, thus adding risk to the position.
- Price Risk: The risk of mispricing or improper valuation and the inability of derivatives to correlate perfectly with underlying assets, rates, and indices.
- Risk of mismatch between the instruments: The risk arises if there is a mismatch between the prices movements in derivative instrument used to hedge, compared to the price movement of the underlying assets being hedged. For example, when IRF which has government security as underlying is used, to hedge a portfolio that contains corporate debt securities.
- Correlation weakening and consequent risk of regulatory breach: SEBI Regulation mandates minimum correlation criterion of 0.9 (calculated on a 90-day basis) between the portfolio being hedged and the derivative instrument used for hedging. In cases where the correlation falls below 0.9, a rebalancing period of 5 working days has been permitted. Inability to satisfy this requirement to restore the correlation level to the stipulated level, within the stipulated period, due to difficulties in rebalancing would lead to a lapse of the exemption in gross exposure computation. The entire derivative exposure would then need to be included in gross exposure, which may result in gross exposure in excess of 100% of net asset value.

5. **Risk factors associated with Securities Lending**

As with other modes of extensions of credit, there are risks inherent to securities

lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The scheme may not be able to sell lent out securities, which can lead to temporary illiquidity & loss of opportunity.

6. Risk factors associated with investments in Perpetual Debt Instrument (PDI)

Perpetual Debt instruments are issued by Banks, non-banking financial institutions (NBFCs) and corporates to improve their capital profile. Some of the PDIs issued by Banks which are governed by the Reserve Bank of India (RBI) guidelines for Basel III Capital Regulations are referred to as Additional Tier I (AT1 bonds). While there are no regulatory guidelines for issuance of PDIs by corporate bodies, NBFCs issue these bonds as per guidelines issued by RBI. The instruments are treated as perpetual in nature as there is no fixed maturity date. The key risks associated with these instruments are highlighted below:

- Risk on coupon servicing:
 - Banks: As per the terms of the instruments, Banks may have discretion at all times to cancel distributions/payment of coupons
 - NBFCs: While NBFCs may have discretion at all times to cancel payment of coupon, coupon may also be deferred (instead of being cancelled), in case paying the coupon leads to breach of capital ratios.
 - Corporates: Corporates usually have discretion to defer the payment of coupon. However, the coupon is usually cumulative and any deferred coupon shall accrue interest at the original coupon rate of the PDI
- Risk of write-down or conversion into equity
 - Banks: As per the regulatory requirements, Banks have to maintain a minimum Common Equity Tier-1 (CET-1) ratio of Risk Weighted Assets (RWAs), failing which the AT-1 bonds can get written down. Further, AT-1 Bonds are liable to be written down or converted to common equity, at the discretion of RBI, in the event of Point of Non Viability Trigger (PONV). PONV is a point, determined by RBI, when a bank is deemed to have become non-viable unless there is a write off/ conversion to equity of AT-1 Bonds or a public sector capital injection happens. The write off/conversion has to occur prior to public sector injection of capital.
 - This risk is not applicable in case of NBFCs and Corporates.
- Risk of instrument not being called by the Issuer

- Banks: The issuing banks have an option to call back the instrument after minimum period as per the regulatory requirement from the date of issuance and specified period thereafter, subject to meeting the RBI guidelines. However, if the bank does not exercise the call on first call date, the Scheme may have to hold the instruments for a period beyond the first call exercise date.
- NBFCs: The NBFC issuer has an option to call back the instrument after minimum period as per the regulatory requirement from date of issuance and specified period thereafter, subject to meeting the RBI guidelines. However, if the NBFC does not exercise the call option the Scheme may have to hold the instruments for a period beyond the first call exercise date.
- Corporates: There is no minimum period for call date. However, if the corporate does not exercise the call option, the Scheme may have to hold the instruments for a period beyond the call exercise date.

7. Risk Factors associated with investing in Securitised Debt

The Risks involved in Securitised Papers described below are the principal ones and does not represent that the statement of risks set out hereunder is exhaustive.

• Limited Liquidity & Price Risk

There is no assurance that a deep secondary market will develop for the Certificates. This could limit the ability of the investor to resell them.

• Limited Recourse, Delinquency and Credit Risk

The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and do not represent an obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts to the Certificate Holders may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of an Obligor to repay his obligation, the Servicer may repossess and sell the Asset. However, many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realise the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

• Risks due to possible prepayments and Charge Offs

In the event of prepayments, investors may be exposed to changes in tenor and yield.

Also, any Charge Offs would result in the reduction in the tenor of the Pass Through Certificates (PTCs).

- **Bankruptcy of Bank with Liquidity facility**

If the Bank with Liquidity facility, becomes subject to bankruptcy proceedings then an investor could experience losses or delays in the payments.

- **Risk of Co-mingling**

With respect to the Certificates, the Servicer will deposit all payments received from the Obligor into the Collection Account. However, there could be a time gap between collection by a Servicer and depositing the same into the Collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of originator. If originator in its capacity as Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss.

8. Risk factors associated with creation of segregated portfolios.

- **Liquidity risk**

A segregated portfolio is created when a credit event occurs at an issuer level in the scheme. This may reduce the liquidity of the security issued by the said issuer, as demand for this security may reduce. This is also further accentuated by the lack of secondary market liquidity for corporate papers in India. As per SEBI norms, the scheme is to be closed for redemption and subscriptions until the segregated portfolio is created, running the risk of investors being unable to redeem their investments. However, it may be noted that, the proposed segregated portfolio is required to be formed within one day from the occurrence of the credit event.

Investors may note that no redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unit holders in segregated portfolio, AMC shall list the units of the segregated portfolio on a recognized stock exchange within 10 working days of creation of segregated portfolio and also enable transfer of such units on receipt of transfer requests. For the units listed on the exchange, it is possible that the market price at which the units are traded may be at a discount to the NAV of such Units. There is no assurance that a deep secondary market will develop for units of segregated portfolio listed on the stock exchange. This could limit the ability of the investors to resell them.

- **Valuation risk** - The valuation of the securities in the segregated portfolio is required to be carried out in line with the applicable SEBI guidelines. However, it may be difficult to ascertain the fair value of the securities due to absence of an active secondary market and difficulty to price in qualitative factors..

C. Risk Management Strategies

The Scheme by utilizing a holistic risk management strategy will endeavour to manage risks associated with investing in debt markets. The risk control process involves identifying & measuring the risk through various risk measurement tools.

The Scheme has identified following risks of investing in debt securities and designed risk management strategies, which are embedded in the investment process to manage such risks.

Risks associated with Debt Investment	Mitigant
Market Risk/ Interest Rate Risk As with all debt securities, changes in interest rates may affect the Scheme's Net Asset Value as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of long-term securities generally fluctuate more in response to interest rate changes than do short-term securities. Indian debt markets can be volatile leading to the possibility of price movements up or down in fixed income securities and thereby to possible movements in the NAV.	The schemes will undertake the active portfolio management as per the investment objective to reduce the market/interest risk. A well-diversified portfolio may help to mitigate this risk. Further, the Scheme may use Interest rate derivatives to mitigate the interest rate risks and rebalance the portfolio.
Liquidity or Marketability Risk This refers to the ease with which a security can be sold at or near to its valuation yield-to-maturity (YTM).	Liquidity risk may be high on select securities due to duration and/or issue structure and/or issuer specific risk. Liquidity Risk can be partly mitigated by diversification, staggering of maturities as well as internal risk controls that lean towards purchase of liquid securities. Further details on Liquidity management tools are provided below.

Credit Risk Credit risk or default risk refers to the risk that an issuer of a fixed income security may default (i.e., will be unable to make timely principal and interest payments on the security).	Management analysis will be used for identifying company specific risks. Management's past track record will also be studied. In order to assess financial risk a detailed assessment of the issuer's financial statements will be undertaken.
Reinvestment Risk This risk refers to the interest rate levels at which cash flows received from the securities in the Schemes are reinvested. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.	Reinvestment risks will be limited to the extent of coupons received on debt instruments, which may be a very small portion of the portfolio value.
Derivatives Risk As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives since derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.	The Scheme may invest in derivative for the purpose of hedging, portfolio balancing and other purposes as may be permitted under the Regulations. Interest Rate Swaps will be done with approved counter parties under pre-approved ISDA agreements. Interest rate swaps and other derivative instruments will be used as per local (RBI and SEBI) regulatory guidelines.

Further, below is the synopsis through which we monitor and manage the liquidity risk:

Liquidity Management tool	Description
Potential Risk Class and Risk-o-meter	The Potential Risk Class (PRC) matrix of the scheme is defined. The same is being monitored on a regular basis. Any change in the positioning of the scheme into a cell resulting in a risk (in terms of credit risk or duration risk) which is higher than the maximum risk specified for the chosen PRC cell, shall be considered as a fundamental attribute change of the scheme in terms of regulation Paragraph 1.9 of SEBI Master Circular for Mutual Funds dated March 20, 2026. Risk-o-meter of the scheme is also reviewed on a monthly basis and latest risk-o-meter is published on website.
Liquidity Risk Management	All potential Liquidity Risk scenarios arising from the liability side is measured upto 99% confidence interval. The remedial measures are available for both for managing this risk on an ongoing basis (LRaR & LCRaR) as well as action plan in case there is a difference between actual outcome and projected outcome.
Stress Testing	The stress test is carried out on a monthly basis and if the market conditions require so, AMC may conduct more frequent stress test. This addresses the asset side risk from an Interest Rate, Credit and Liquidity Risk perspective at an aggregate portfolio level in terms of its impact on NAV of the scheme.
Asset liability mis-match (ALM)	ALM requirement is monitored in accordance with Chapter 5 of SEBI Master Circular on Mutual Funds dated March 20, 2026 which addresses potential Liquidity requirement over a 90-day period and required relevant asset side liquidity to be maintained.
Swing Pricing Framework	In case of severe liquidity stress on account of dysfunction at market level, the Swing Pricing guidelines get triggered which offers the contingency plan in case all else fails. The swing pricing framework will be made applicable only for scenarios related to net outflows from the schemes.

II. Information about the scheme

A. Where will the scheme invest?

Detailed description of the instruments (including overview of debt markets in India) mentioned in Section I is provided below:

Debt Securities:

- Debt instruments (in the form of non-convertible debentures, bonds, secured premium notes, zero interest bonds, deep discount bonds, floating rate bonds/notes, securitised debt, pass through certificates, asset backed securities, mortgage backed securities and any other domestic fixed income securities including structured obligations etc.) include, but are not limited to:
 1. Debt issuances of the statutory bodies (which may or may not carry a state/central government guarantee),
 2. Debt securities that have been guaranteed by Government of India and State Governments,
 3. Debt securities issued by Corporate Entities (Public /Private sector undertakings),
 4. Debt securities issued by Public/Private sector banks and development financial institutions,
 5. Securitized Debt, Structured Obligations, Credit enhanced Debt,
 6. Non-Convertible Preference Shares.
- **Money Market Instruments include:**
 1. Commercial papers
 2. Commercial bills
 3. Tri-party Repos on Government securities or treasury bills (TREPS)
 4. Certificate of deposit
 5. Usance bills
 6. Permitted securities under a repo/reverse repo agreement
 7. Any other like instruments as may be permitted by RBI/SEBI for liquidity requirements from time to time.

OVERVIEW OF DEBT MARKET

The Indian debt markets are one of the largest markets in Asia. Government and Public Sector enterprises are predominant borrowers in the market. While interest rates were regulated till a few years back, there has been a rapid deregulation and currently both the lending and deposit rates are market determined.

The bond markets are developing fast with the rapid introduction of new instruments including derivatives. Foreign Institutional Investors are also allowed to invest in Indian debt markets now. Currently the daily average trading volume in the market ranges between Rs.50,000 crores to Rs.100,000 crores, of which about 90% comprises

the government securities.

The various debt instruments currently available for investments are:

Instruments	Current Yields*	Liquidity
Central/State Government securities	5.10% - 7.60%	Very high
PSU Bonds/Corporate debentures	6.00%-10.30%	Medium - High
Commercial Papers/Certificate of deposits	5.25% to 10.50%	High
Call/Notice Money	4.60% - 5.40%	Very high
Repo / TREPS	5.00%-5.50%	Very high

The actual yields will, however, vary in line with general levels of interest rates and debt/money market conditions prevailing from time to time.

*Yields as of 16th July 2026

- **Usage of Short Term Deposits:**

Pending deployment of the funds in securities in terms of investment objective of the Scheme, the AMC may park the funds of the Scheme in short term deposits of the Scheduled Commercial Banks, subject to the guidelines issued by SEBI vide Para 13.7 of SEBI Master Circular on Mutual Funds dated March 20, 2026, as may be amended from time to time.

- **Debt instruments having Structured Obligations / Credit Enhancements**

The investment of the scheme in debt instruments having Structured Obligations / Credit Enhancements shall not exceed 10% of the debt portfolio of the scheme and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the schemes:

- a. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and
- b. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.

INVESTMENT IN SECURITISED DEBT

1. How the risk profile of securitized debt fits into the risk appetite of the scheme

Securitization is the fact or process of securitizing assets i.e. the conversion of loans into securities, usually in order to sell them on to other investors. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income characteristics. The risk of investing in securitized debt is similar to investing in debt securities. However, it differs mainly in two respects. One, the liquidity of securitized

debt is less than similar debt securities. Two, for certain types of securitized debt (backed by mortgages, personal loans, credit card debt, etc.), there is an additional pre-payment risk. Pre-payment risk refers to the possibility that loans are repaid before they are due, which may reduce returns if the re-investment rates are lower than initially envisaged.

Because of these additional risks, securitized debt typically offers higher yields than debt securities of similar credit rating and maturity. After considering these additional risks, the investment is no different from investment in a normal debt security. Considering the investment objective of the scheme, these instruments with medium risk profile can be considered in the investment universe. Thus, if the Fund Manager judges that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt up to the limits specified in the asset allocation table.

2. Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc.

Investments in securitized debt will be done based on the assessment of the originator and the securitized debt which is carried out by the Fixed Income team based on the in-house research capabilities as well as the inputs from the independent credit rating agencies and by following Franklin Templeton's internal credit process.

Specifically, in order to mitigate the risk at the issuer/originator level the Fixed Income team will consider various factors which will include -

- Track record of the originator in the specific business to which the underlying loans correspond to;
- size and reach of the issuer/originator;
- Collection infrastructure & collection policies;
- Post default recovery mechanism & infrastructure;
- Underwriting standards & policies followed by originator;
- Management information systems;
- Financials of the originators including an analysis of leverage, NPAs, earnings, etc.;
- Future strategy of the company for the specific business to which the underlying loans correspond to;
- Performance track record of Originator's portfolio & securitized pools, if any;
- Utilization of credit enhancement in the prior securitized pools;
- The quality of information disseminated by the issuer/ originator; and
- The credit enhancement for different types of issuer/originator.

Also, assessment of business risk would be carried out which includes -

- Outlook for the economy (both domestic and global); and
- Outlook for the industry

In addition, the fund analyses the specific pool and the broad evaluation parameters are

as follows:

- Average seasoning of the loans in the pool
- Average Loan to value ratio of the loans in the pool
- Average ticket size of the loans
- Borrower profile (salaried / self employed, etc.)
- Geographical profile of the pool
- Tenure profile of the pool
- Obligor concentration
- Credit enhancement cover available over and above the historic losses on Originator's portfolio
- Expected Prepayment rate in the specific asset class experienced by the originator in the past as well as the industry
- Limited Liquidity and Price Risk.

The scheme will invest in securitized debt which are of investment grade and above by a credit rating agency recognized by SEBI. The investment team analyses the Rating Rationale in detail before investing in any PTCs, and also discusses with the concerned rating agency on a need basis. The rating agency would normally take into consideration the following factors while rating a securitized debt:

Credit risk at the asset/originator/portfolio/pool level

- The quality of the pool is a crucial element in assessing credit risk. In the Indian context, generally, pools are 'cherry-picked' using positive selection criteria. To protect the investor from adverse selection of pool contracts, the rating agencies normally take into consideration pool characteristics such as pool seasoning (seasoning represents the number of instalments paid by borrower till date: higher seasoning represents better quality), over dues at the time of selection and Loan to Value (LTV). To assess its risk profile vis-à-vis the overall portfolio, the pool is analyzed with regard to geographical location, borrower profile, LTV, and tenure.

Counterparty risk

- This includes Servicer Risk, co-mingling risk etc. The rating agencies generally mitigate such risks through the usage of stringent counterparty selection and replacement criteria to reduce the risk of failure.

Bankruptcy risk

- Of the Originator –
 - Normally, specific care is taken in structuring the securitization transaction so as to minimize the risk of the sale to the trust not being construed as a 'true sale'. It is also in the Interest of the originator to demonstrate the transaction as a true sell to get the necessary revenue recognition and tax benefits.
- Of the Investors' agent
 - All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor's Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor's Agent.

- Legal risks
 - The rating agency normally conducts a detailed study of the legal documents to ensure that the investors' interest is not compromised and relevant protection and safeguards are built into the transaction.
- Various market risks like interest rate risk, macro economic risks
- Assessment of risks related to business for example outlook for the economy, outlook for the industry and factors specific to the issuer/originator.

3. Risk mitigation strategies for investments with each kind of originator

The examples of securitized assets which may be considered for investment by the Scheme and the various risk mitigation parameters (please read in continuation with point 2 above) which will be considered include;

A. Asset backed securities issued by banks or non-banking finance companies.

Underlying assets may include receivables from loans against cars, commercial vehicles, construction equipment or unsecured loans such as personal loans, consumer durable loans. The various factors which will be usually considered while making investments in such type of securities include profile of the issuer, analysis of underlying loan portfolio – nature of asset class, seasoning of loans, geographical distribution of loans and coverage provided by credit-cum-liquidity enhancements.

B. Mortgage backed securities issued by banks or housing finance companies, where underlying assets are comprised of mortgages/home loan.

The various factors which will be usually considered while making investments in such type of securities include issuer profile of the issuer, quality of underlying portfolio, seasoning of loans, coverage provided by credit-cum-liquidity enhancements and prepayment risks.

C. Single loan securitization, where the underlying asset comprises of loans issued by a bank/ non-banking finance company.

The factors which will be usually considered while making investments in such type of securities include assessment of credit risk associated with the underlying borrower as well as the originator. The Fixed Income team will adhere to the Franklin Templeton's internal credit process and perform a detailed review of the underlying borrower prior to making investments. This analysis is no different from the analysis undertaken by Fund when it invests in Debentures or Commercial papers issued by the same borrower.

Critical Evaluation Criteria

Typically, the Fund would avoid investing in securitization transaction (without specific risk mitigation strategies / additional cash/security collaterals/ guarantees) if there are concerns on the following issues regarding the originator / underlying issuer:

1. High default track record/ frequent alteration of redemption conditions/covenants

2. High leverage ratios – both on a standalone basis as well on a consolidated level/ group level
3. Higher proportion of re-schedulement of underlying assets of the pool or loan, as the case may be
4. Higher proportion of overdue assets of the pool or the underlying loan, as the case may be
5. Poor reputation in market
6. Insufficient track record of servicing of the pool or the loan, as the case may be.

Further, investments in securitized debt will be done in accordance with the investment restrictions specified under the SEBI Regulations/ this Scheme Information Document which would help in mitigating certain risks. Currently, as per the Regulations, the Scheme cannot invest more than 15% of its net assets in debt instruments (irrespective of residual maturity) issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the Act. Such investment limit may be extended to 20% of the net assets of the Scheme with the prior approval of the Board of Trustees and the Board of the AMC.

4. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments

The framework which will generally be applied by the Fund Manager while evaluating the investment decision with respect to securitized debt will be as follows:

Characteristics / Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	2 wheelers	Micro Finance Pools	Personal Loans	Single Sell down \$	Others
Approximate Average maturity (in Months)	Upto 10 years	Upto 5 years	Upto 5 years	Upto 48 months	Upto 80 weeks	Upto 3 years	Case by case basis	As and when new asset classes of securitized debt are introduced, the investments in such instruments will be evaluated on a case by case basis
Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)	In excess of 3%	In excess of 4%	In excess of 4%	In excess of 4%	In excess of 5%	In excess of 5%	Case by case basis	
Average Loan to Value Ratio	95% or lower	100% or lower **	95% or lower	95% or lower	Unsecured	Unsecured	Case by case basis	
Average seasoning of the Pool	Minimum 2 months	Minimum 2 months	Minimum 2 months	Minimum 2 months	Minimum 2 weeks	Minimum 2 months	Case by case basis	
Maximum	< 5%	< 5%	NA	NA	NA	NA	Not	

Characteristics / Type of Pool	Mortgage Loan	Commercial Vehicle and Construction Equipment	CAR	2 wheelers	Micro Finance Pools	Personal Loans	Single Sell down \$	Others
single exposure range *			(retail pool)	(retail pool)	(Very Small retail pool)	(retail pool)	applicable	
Average single exposure range % *	< 5%	< 5%	< 2%	< 1%	< 1%	< 1%	Not applicable	

* denotes % of a single ticket/loan size to the overall assets in the securitized pool.

** LTV Based on chassis value

\$ Broad evaluation criteria as per point 3 above

Notes:

1. Retail pools are the loan pools relating to Car, 2-wheeler, micro finance and personal loans, wherein the average loan size is relatively small and spread over large number of borrowers.
2. The information illustrated in the table above is based on current scenario relating to securitized debt market and is subject to change depending upon the change in the related factors.

In addition to the framework stated in the table above, in order to mitigate the risks associated with the underlying assets where the diversification is less, at the time of investment the Fixed Income team could consider various factors including but not limited to -

- Size of the loan - the size of each loan is generally analysed on a sample basis and an analysis of the static pool of the originator is undertaken to ensure that the same matches with the static pool characteristics. It also indicates whether there is high reliance on very small ticket size borrower which could result in delayed and expensive recoveries.
- Average original maturity of the pool of underlying assets
- The analysis of average maturity of the pool is undertaken to evaluate whether the tenor of the loans are generally in line with the average loans in the respective industry and repayment capacity of the borrower.
- Loan to value ratio, average seasoning of the pool of underlying assets - these parameters would be evaluated based on the asset class as mentioned in the table above.
- Default rate distribution - the Fixed Income team generally ensures that all the contracts in the pool are current to ensure zero default rate distribution.
- Geographical distribution - the analysis of geographical distribution of the pool is undertaken to ensure prevention of concentration risk.

- Credit enhancement facility - credit enhancement facilities in the form of cash collateral, such as fixed deposits, bank guarantee etc could be obtained as a risk mitigation measure.
- Liquidity facility - these parameters will be evaluated based on the asset class as mentioned in the table above.
- Structure of the pool of underlying assets - The structure of the pool of underlying assets would be either single asset class or combination of various asset classes as mentioned in the table above. We could add new asset class depending upon the securitization structure and changes in market acceptability of asset classes.

5. Minimum retention period of the debt by originator prior to securitization

The minimum retention period of the debt by the originator prior to securitization and the minimum retention percentage by originator of debts will be as per the guidelines/regulations issued by the RBI/other regulatory agencies from time to time. Also, please refer the table in point 4. The Fund will adopt that policy, whichever is stricter.

6. Minimum retention percentage by originator of debts to be securitized

Same as point 5 above.

7. The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund

An investment by the scheme in any security is done after detailed analysis by the Fixed Income team and in accordance with the investment objectives and the asset allocation pattern of a scheme. All investments are made on an arm's length basis without consideration of any investments (existing/potential) in the schemes made by any party related/involved in the transaction. The robust credit process ensures that there is no conflict of interests when a scheme invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme.

8. The resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt

The resources for and mechanisms of individual risk assessment with the AMC for monitoring investment in securitized debt are as follows:

- Fixed Income Team – Currently, the AMC has a well experienced team, which is responsible for credit research and monitoring and fund management, for all exposures including securitized debt.
- Ratings are monitored for any movement – Based on the cash flow report and Fixed Income Team's view, periodic review of utilization of credit enhancement shall be conducted and ratings shall be monitored accordingly.
- For legal and technical assistance with regard to the documentation of securitized debt instruments, the team can make use of resources within the internal legal team and if required take help of our external legal counsel as well.

As per the prevailing SEBI guidelines, the investments in securitised debt instruments will be shown as a separate category under debt instruments in the half yearly disclosure of scheme portfolio.

INVESTMENT IN CORPORATE DEBT MARKET DEVELOPMENT FUND (CDMDF)-

In accordance with the requirement of regulation 40 of SEBI (Mutual Funds) Regulations, 2026 read with Chapter 18 of SEBI Master circular dated March 20, 2026 on Investment by Mutual Fund Schemes and AMCs in units of Corporate Debt Market Development Fund, scheme shall invest 25 bps of its AUM.

CDMDF Framework-

CDMDF shall comply with the Guarantee Scheme for Corporate Debt (GSCD) as notified by Ministry of Finance vide notification no. G.S.R. 559(E) dated July 26, 2023 and Chapter 18 of SEBI Master circular dated March 20, 2026 and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time, which includes the framework for corporate debt market development fund. The framework will inclusive of following points-

- a) The CDMDF shall deal only in following securities during normal times:
 - Low duration Government Securities
 - Treasury bills
 - Tri-party Repo on G-sec
 - Guaranteed corporate bond repo with maturity not exceeding 7 days
- b) The fees and expenses of CDMDF shall be as follows:
 - During Normal times: (0.15% + tax) of the Portfolio Value charged on daily pro-rata basis.
 - During Market stress: (0.20% + tax) of the Portfolio Value charged on daily pro-rata basis.
 - “Portfolio Value” means the aggregate amount of portfolio of investments including cash balance without netting off of leverage undertaken by the CDMDF.
- c) Corporate debt securities to be bought by CDMDF during market dislocation include listed money market instruments. The long term rating of issuers shall be considered for the money market instruments. However, if there is no long term rating available for the same issuer, then based on credit rating mapping of CRAs between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating.
- d) CDMDF shall follow the Fair Pricing document, while purchase of corporate debt securities during market dislocation as specified in Chapter 18 of SEBI Master circular dated March 20, 2026 and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time.

CDMDF shall follow the loss waterfall accounting and guidelines w.r.t. purchase allocation and trade settlement of corporate debt securities bought by CDMDF, specified in Chapter 18 of SEBI Master circular dated March 20, 2026 and circulars / guidelines/ Letters issued by SEBI and AMFI from time to time.

INVESTMENTS IN DERIVATIVE INSTRUMENTS

As part of the Fund Management process, the Trustee may permit the use of derivative instruments such as swap agreements, Forward Rate Agreement (FRA) or any other derivative instruments that are permissible or may be permissible in future under applicable regulations and such investments shall be in accordance with the investment objectives of the schemes.

On the fixed income side, an interest rate swap agreement from fixed rate to floating rate is an example of how derivatives can be an effective hedge for the portfolio in a rising interest rate environment.

Derivatives can be either exchange traded or can be over the counter (OTC). Exchange traded derivatives are listed and traded on Stock Exchanges whereas OTC derivative transactions are generally structured between two counterparties.

Derivatives may be high risk - high return instruments, upon leveraging. As they are highly leveraged, a small price movement in the underlying security could have a large impact on their value and may also result in a loss.

Position Limits:

The Scheme may enter into derivatives in line with the guidelines prescribed by SEBI from time to time. The scheme may take exposure in derivatives as mentioned in the asset allocation. The exposure limit per scrip/instrument shall be to the extent permitted by the SEBI Regulation for the time being in force. These limits will be reviewed by the AMC from time to time.

Currently, the position limits for Mutual Funds and its schemes, as permitted by the SEBI Regulations, are as under:

The cumulative gross exposure through equity, debt and derivative positions (including commodity and fixed income derivatives), repo transactions and credit default swaps in corporate debt securities, other permitted securities/assets and such other securities/assets as may be permitted by SEBI from time to time) should not exceed 100% of the net assets of the scheme. Exposure due to hedging positions may not be included in the above mentioned limit subject to the following:

- Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
- Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned above.

- Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
- The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
- Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned above.

Further, the total exposure related to option premium paid must not exceed 20% of the net assets of the scheme. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure. Pursuant to SEBI letter dated November 03, 2022, Cash or cash equivalents shall consist of following securities having residual maturity of less than 91 days:

- 1) Government Securities
- 2) T-Bills
- 3) Repo on Government Securities

Purpose of investment:

- Trading in derivatives by the scheme shall be restricted to hedging and portfolio balancing purposes.
- The scheme shall fully cover its positions in the derivatives market by holding underlying securities/cash or cash equivalents/option and/or obligation for acquiring underlying assets to honour the obligations contracted in the derivatives market.
- Separate records shall be maintained for holding the cash and cash equivalents/securities for this purpose.
- The securities held shall be marked to market by the AMC to ensure full coverage of investments made in derivative products at all time.

Valuation:

- The traded derivatives shall be valued at market price in conformity with the stipulations of Para 10.2 of SEBI Master Circular dated March 20, 2026.
- The valuation of untraded derivatives shall be done in accordance with the valuation method for untraded investments prescribed Para 10.2 of SEBI Master Circular dated March 20, 2026.

Interest Rate Swaps (IRS):

The Indian markets have faced high volatility in debt and equity markets. An interest rate swap is a contractual agreement between two counterparties to exchange streams of interest amount on a notional principal basis. In this, one party agrees to pay a fixed stream of interest amount against receiving a variable or floating stream of interest amount. The variable or floating part is determined on a periodical basis.

The Scheme may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The

value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme.

In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if Scheme is transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.

➤ **Purpose of Interest Rate Swaps:**

- The Indian markets have faced high volatility in debt and equity markets. An interest rate swap is a contractual agreement between two counterparties to exchange streams of interest amount on a notional principal basis. In this, one party agrees to pay a fixed stream of interest amount against receiving a variable or floating stream of interest amount. The variable or floating part is determined on a periodical basis.
- The scheme shall use derivative position for hedging the portfolio risk on a non-leverage basis. The scheme shall fully cover their positions in the derivatives market by holding underlying securities / cash or cash equivalents / option and / or obligation for acquiring underlying assets to honour the obligations contracted in the derivatives market.

➤ **Risks attached with the use of Interest Rate Swaps:**

As and when the Schemes enter into Interest rate swaps agreement, there are risk factors and issues concerning the use of this derivative that the investors should understand. Interest rate swaps require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that the derivative adds to the portfolio and the ability to forecast failure of another party (usually referred to as the “counter-party”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives, the credit risk where the danger is that of a counter-party failing to honour its commitment, liquidity risk where the danger is that the derivative cannot be sold at prices that reflect the underlying assets, rates and indices, and price risk where the market price may move in adverse fashion.

Let us look at an example of an interest rate swap:

Entity A has a Rs.20 crores, 3 month asset which is being funded through call. Entity B, on the other hand, has deployed Rs.20 crores in overnight call money market, 3 month liability. Both the entities are taking on an interest rate risk.

To hedge against the interest rate risk, both the entities can enter into a 3 month swap agreement based on say MIBOR (Mumbai Inter Bank Offered Rate). Through this swap, entity B will receive a fixed pre agreed rate (say 8%) and pay NSE MIBOR (“the benchmark rate”) which will neutralize the interest rate risk of lending in call. Similarly,

entity A will neutralize its interest rate risk from call borrowing as it will pay 8% and receive interest at the benchmark rate.

Assuming the swap is for Rs.20 crores 1 September to 1 December, Entity A is a floating rate receiver at the overnight compounded rate and Entity B is a fixed rate receiver. On a daily basis, the benchmark rate fixed by NSE will be tracked by them.

On December 1, they will calculate as explained below:

Entity A is entitled to receive daily compounded call rate for 92 days and pay 8% fixed. Entity B is entitled to receive interest on Rs.20 crores @ 8% i.e. Rs.40.33 lakhs, and pay the compounded benchmark rate.

Thus on December 1, if the total interest on the daily overnight compounded benchmark rate is higher than Rs.40.33 lakhs, entity B will pay entity A the difference and vice versa.

Forward Rate Agreement (FRA)

A FRA is basically a forward starting IRS. It is an agreement between two parties to pay or receive the difference between an agreed fixed rate (the FRA rate) and the interest rate (reference rate) prevailing on a stipulated future date, based on a notional principal amount for an agreed period. The only cash flow is the difference between the FRA rate and the reference rate. As is the case with IRS, the notional amounts are not exchanged in FRAs.

Example: Let us assume that a scheme has an investment of Rs.10 crore in an instrument that pays interest linked to NSE Mibor. Since the NSE Mibor would vary daily, the scheme is running interest rate risk on its investment and would stand to lose if rates go down. To hedge itself against this risk, the scheme could do an IRS where it receives a fixed rate (assume 10%) for the next 5 days on the notional amount of Rs.10 crore and pay a floating rate (NSE Mibor). In doing this, the scheme would effectively lock itself into a fixed rate of 10% for the next five days. The steps would be:

1. The scheme enters into an IRS on Rs.10 crore from December 1, 2001 to December 6, 2001. It receives a fixed rate of interest at 10% and the counter party receives the floating rate (NSE Mibor). The scheme and the counter party exchange a contract of having entered into this IRS.
2. On a daily basis, the NSE Mibor will be tracked by the counterparties to determine the floating rate payable by the scheme.
3. On December 6, 2001, the counterparties will calculate the following:
 - The scheme will receive interest on Rs.10 crore at 10% p.a. for 5 days i.e. Rs.1,36,986/-
 - The scheme will pay the compounded NSE Mibor for 5 days by converting its floating rate asset into a fixed rate through the IRS.
 - If the total interest on the compounded NSE Mibor rate is lower than Rs. 1,36,986/- , the scheme will receive the difference from the counterparty and vice-versa. In case the interest on compounded NSE Mibor is higher, the scheme would make a

lower return than what it would have made had it not undertaken IRS.

➤ **Risks attached with the use of Forward Rate Agreement:**

As and when the Schemes enter into FRA agreement, there are risk factors and issues concerning the use of this derivative that the investors should understand. FRA requires the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that the derivative adds to the portfolio and the ability to forecast failure of another party (usually referred to as the “counter-party”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mis-pricing or improper valuation of derivatives, the credit risk where the danger is that of a counter-party failing to honour its commitment, liquidity risk where the danger is that the derivative cannot be sold at prices that reflect the underlying assets, rates and indices, and price risk where the market price may move in adverse fashion.

As is clear from the above examples, engaging in derivatives has the potential to help the schemes in minimising the portfolio risk and/or improve the overall portfolio returns.

Interest Rate Futures and imperfect hedging

An Interest Rate Futures (‘IRF’) contract is “an agreement to buy or sell a debt instrument at a specified future date at a price that is fixed today.” The underlying security for Interest Rate Futures is either Government Bond or T-Bill. Interest Rate Futures are Exchange traded and standardized contracts based on 6 year, 10 year and 13 year Government of India Security and 91-day Government of India Treasury Bill (91DTB). These future contracts are cash settled. These instruments can be used for hedging the underlying cash positions.

Numerical Example –

When the underlying asset being hedged and the IRF contract are based on the same instrument, the hedge is known as a perfect hedge.

Imperfect hedging is when the underlying asset being hedged and the IRF contract has a 90 day correlation of closing prices of more than 90%. If such a correlation does not exist at any time, the derivative position shall be counted as exposure. Maximum permissible imperfect hedging is 20%. For example, assume a portfolio comprising the following structure:

Security	Amount (crs)	Price (INR)
IGB 6.79% 2027	50	94.6
IGB 6.68% 2031	25	91
IGB 7.17% 2028	15	98
Cash	10	-

Total	100	
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Assuming the fund manager intends to hedge the portfolio using IRF and uses contracts on IGB 6.79% 2027 as it is most liquid. Maximum permissible imperfect hedging is 20%. For the above fund is $100 \times 20\% = \text{INR } 20 \text{ crores}$. Maximum perfect hedging using 6.79% 2027 is INR 50 crores. Total hedge the fund can enter into is INR 50 crores + INR 20 crores = INR 70 crores. Assuming the 90 day historical correlation between the instruments in the portfolio are as follows:

90 day historical correlation	IGB 6.79% 2027	IGB 6.68% 2031	IGB 7.17% 2028
IGB 6.79% 2027	1	0.95	0.85
IGB 6.68% 2031	0.95	1	0.80
IGB 7.17% 2028	0.85	0.80	1

Given that we are using IRF on 6.79% 2027, we can hedge 6.68% 2031 using IRFs as correlation is more than 90% upto INR 20 crores (based on the 20% limit of imperfect hedging). Since one contract of IRF has a notional value of INR 2 lakhs, in this example the fund manager may sell $(\text{INR } 70 \text{ crores} / 2 \text{ lakhs})$ 3500 contracts, to hedge his position.

Scenario 1: When the bonds close higher than at the time the hedge was entered into:

Security	Amount (crs)	Price before hedging (INR)	Price on maturity of hedge (INR)	Gain/Loss	Net Gain (INR lakhs)
IGB 6.79% 2027	50	94.6	94.7	0.1	5
IGB 6.68% 2031	25	91	91.15	0.15	3.75
IGB 7.17% 2028	15	98	98.05	0.05	0.75
Cash	10				
Without IRF					9.5
IRF based on IGB 6.79% 2027	70	94.5	94.65	-0.15	-10.5
Total with IRF	100				-1

Scenario 2: When the bonds close lower than at the time the hedge was entered into:

Security	Amount (crs)	Price before hedging (INR)	Price on maturity of hedge (INR)	Gain/Loss	Net Gain (INR lakhs)
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IGB 6.79% 2027	50	94.6	94.5	-0.1	-5
IGB 6.68% 2031	25	92	91.85	-0.15	-3.75
IGB 7.17% 2028	15	100	99.95	-0.05	-0.75
Cash	10				-
Without IRF					-9.5
IRF based on IGB 6.79% 2027	70	98.5	98.45	0.05	3.5
Total with IRF	100				-6

As can be seen in the cases above, IRFs help in reducing the volatility of the loss/gain to the fund in case of yield movements.

Please note these examples are hypothetical in nature and are given for illustration purposes only. The actual returns may vary depending on the market conditions.

The AMC retains the right to enter into such derivative transactions as may be permitted by the applicable regulations from time to time.

INVESTMENTS IN REPO OF CORPORATE DEBT SECURITIES

As per Para 13. 8 of SEBI Master Circular on Mutual Funds dated March 20, 2026 enables mutual funds to participate in repos in corporate debt securities as per the guidelines issued by Reserve Bank of India (RBI) from time to time and subject to few conditions listed in the said SEBI circular.

Applicable conditions are as follows:

- The gross exposure of any mutual fund scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the concerned scheme.
- The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the concerned scheme.
- Mutual funds shall participate in repo transactions only in AA and above rated corporate debt securities.
- In terms of Regulation 42 (1) of the Securities and Exchange Board of India (Mutual Funds) Regulations, 2026 and Para 13.8.6 of SEBI Master Circular dated March 20, 2026 mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.

Other guidelines are as follows:

- **Category of counter party & Credit rating of counter party**

All entities eligible for transacting in corporate bond repos as defined by SEBI and RBI shall be considered for repo investments with the caveat that the credit rating of the

counterparty should be equal to or higher than AA- (long term rating).

- **Tenor of Repo**

Tenor of repo shall be capped to 3 months as against maximum permissible tenor of 6 months. Any repo for a tenor beyond 3 months shall require prior approval from investment committee of the fund. There shall be no restriction / limitation on the tenor of collateral.

- **Applicable haircut**

As per the RBI circular RBI/2012-13/365 IDMD.PCD.09/14.03.02/2012-13, the minimum haircut applicable on the market value of the corporate debt securities prevailing on the date of trade of 1st leg, would be as under:

Rating	AAA	AA+	AA
Minimum Haircut	7.5%	8.5%	10%

As per the SEBI guidelines, Mutual Funds may undertake repo in only AA and above rated corporate bond securities. Also, the Fund Manager may ask for a higher haircut (while lending) or give a higher haircut (while borrowing) depending on the prevailing market situation.

SEBI has recommended for setting up a Limited Purpose Clearing Corporation (LPCC) for clearing and settling repo transactions in corporate debt securities by contributing an amount of INR 150 crore at the industry level. The AMC shall contribute INR 150 Cr. towards share capital of LPCC in proportion to the Asset Under Management (AUM) of open ended debt oriented mutual fund schemes (excluding overnight, gilt fund and gilt fund with 10 year constant duration but including conservative hybrid schemes) managed by them.

The investment restrictions applicable to scheme's participation in corporate bond repos will also be as prescribed or varied by SEBI or by the Board of Trustee and AMC (subject to SEBI restrictions) from time to time.

SECURITIES LENDING

If permitted by SEBI under extant regulations/guidelines, the Scheme may also engage in scrip lending as provided under Securities Lending Scheme 1997, as per Para 13.6 of SEBI Master Circular for Mutual Funds dated March 20, 2026, and other applicable guidelines/regulations, as amended from time to time. Scrip lending means lending a security to another person or entity for a fixed period of time, at a negotiated compensation. The security lent will be returned by the borrower on or before the expiry of the stipulated period.

The AMC will comply with the required reporting obligations and the Trustee will carry

out the reviews required under SEBI/RBI guidelines. Further a maximum of 40% of net assets will be deployed in securities lending and the maximum single party exposure will be restricted to 10%# of net assets outstanding at any point of time.

Presently, Securities lending and borrowing (SLB) is an Exchange traded product. Counterparty is not known for transactions carried out under SLB segment and they are guaranteed by Clearing Corporations and hence do not carry any counter party risk. Accordingly, single party exposure limit will not apply to trades on Stock Exchange platform. Single party exposure limits can only apply in case of OTC (over the counter) trades where counterparty can be identified.

Engaging in scrip lending is subject to risks related to fluctuations in the collateral value / settlement / liquidity / counter party.

B. What are the investment restrictions?

In pursuance of the Regulations, the following restrictions are currently applicable to the scheme:

1. Investment in securities from the scheme's corpus would be only in transferable securities in accordance with Regulation 39 of Chapter VI of SEBI [Mutual Funds] Regulations, 2026.
2. The Scheme shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relevant securities and in all cases of sale, deliver the securities; provided that the Scheme may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI; provided further that the Scheme may enter into derivatives transactions in a recognised stock exchange, subject to the framework specified by SEBI; provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.
3. The Mutual Fund shall, get the securities purchased or transferred in the name of the mutual fund on account of the concerned scheme.
4. No investment shall be made in any Fund of Funds scheme.
5. The mutual fund shall not advance any loans for any purpose.
6. Investment by the scheme in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency shall not exceed 10% of its NAV

The scheme shall not make any investment in money market instrument more than:

- a. 10% of its NAV in debt and money market securities rated AAA; or
- b. 8% of its NAV in debt and money market securities rated AA; or
- c. 6% of its NAV in debt and money market securities rated A and below issued by a single issuer.

The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to maximum 12% of NAV.

Such limit shall also be applicable to mortgage backed securitized debt which are rated not below investment grade by a credit rating agency registered with the Board.

Such limit shall not be applicable for investments in debt exchange traded funds, Government Securities, treasury bills and triparty repo on Government securities or treasury bills.

Such limit is not applicable for investment in securitized debt (mortgage backed securities and asset backed securities), at the originator level.

The long term rating of issuers shall be considered for the money market instruments. However, if there is no long term rating available for the same issuer, then based on credit rating mapping of Credit Rating Agencies between short term and long term ratings, the most conservative long term rating shall be taken for a given short term rating. Exposure to government money market instruments such as TREPS on G-Sec/ T-bills shall be treated as exposure to government securities.

7. Investment in unlisted debt instruments:

7.1. The scheme shall not invest in unlisted debt instruments including commercial papers (CPs), other than (a) government securities, (b) other money market instruments and (c) derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. which are used for hedging.

However, the scheme may invest in unlisted Non-Convertible Debentures (NCDs) not exceeding 10% of the debt portfolio of the scheme subject to the condition that such unlisted NCDs have a simple structure (i.e. with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.

For the purpose of the provisions of point 7, listed debt instruments shall include listed and to be listed debt instruments.

8. Investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF), etc. by the scheme shall be subject to the following:

- a) Investments shall only be made in such instruments, including bills rediscounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 2026 and various circulars issued thereunder.
- b) Exposure of the scheme in such instruments, shall not exceed 5% of the net assets of the scheme.
- c) All such investments shall be made with the prior approval of the Board of AMC and the Board of Trustees.
- d) The limit specified is for investment in unrated debt and money market instruments, other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF) etc. by mutual fund schemes.
- e) The single issuer limit and the group exposure limit shall be calculated at the issuing bank level as Bill Rediscounting Schemes (BRDS) are issued with recourse to the

issuing bank.

- f) Investment in BRDS by debt schemes of mutual funds shall be considered as exposure to financial services sector for the purpose of sector exposure limits.
- g) The Scheme may enter into plain vanilla Interest Rate Swaps (IRS) for hedging purposes. The value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme.

In case of participation in IRS is through over the counter transactions, the counter party has to be an entity recognized as a market maker by RBI and exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if Scheme is transacting in IRS through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable.

9. a. Sector exposure

The exposure in a particular sector (excluding investments in Bank CDs, TREPs, G-Secs, T-Bills, short term deposits of Scheduled commercial banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) under the portfolio will not exceed 20% of the net assets on account of purchase.

An additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the scheme on account of purchase shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) only. Further, an additional exposure of 5% of the net assets of the scheme shall be allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio.

Provided that the additional exposure to such securities issued by HFCs are rated AA and above and these HFCs are registered with National Housing Bank (NHB) and the total investment/ exposure in HFCs shall not exceed 20% of the net assets of the scheme on account of purchase.

b. Group exposure -

The total exposure of Scheme in a Group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) will not exceed 20% of the net assets of the Scheme. Such investment limit may be extended to 25% of the net assets of the Scheme with the prior approval of the Board of Trustees and AMC.

Investments by the Scheme in debt and money market instruments of group companies of both the sponsor and the asset management company shall not exceed 10% of the net assets of the scheme. Such investment limit may be extended to 15% of the net assets of the Scheme with the prior approval of the Board of Trustees and AMC.

For this purpose, a group means a Group as defined under regulation 2 (mm) of SEBI (Mutual Funds) Regulations, 2026 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

10. Transfers of investments from one Franklin Templeton Mutual Fund scheme to another will be done in conformity as per Para 13.19 of SEBI Master Circular on Mutual Funds dated March 20, 2026 and Interscheme Transfer policy of FTMF.

11. No investment shall be made in

- any unlisted security of an associate or group company of the sponsor; or
- any security issued by way of private placement by an associate or group company of the sponsor; or
- the listed securities of group companies of the sponsor which is in excess of 25% of the net assets.

12. Pending deployment of funds in securities in terms of investment objectives of the Scheme, the Mutual Fund can invest the funds of the scheme in short term deposits of scheduled commercial banks. The Scheme shall abide by the following guidelines for parking of funds in short term deposits:

- “Short Term” for such parking of funds by mutual funds shall be treated as a period not exceeding 91 days.
- Such short term deposits shall be held in the name of the scheme.
- The scheme shall not park more than 15% of the net assets in Short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustees.
- Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the mutual fund in short term deposits.
- The scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
- The Scheme shall not park funds in short-term deposit of a bank, which has invested in the Scheme. The bank in which the scheme has short-term deposit shall not be permitted to invest in the said scheme until the scheme has short-term deposit with such bank.
- AMC shall not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.

The aforesaid limits are not applicable to term deposits placed as margins for trading in cash and derivatives market.

13. Restrictions on Investment in debt instruments having Structured Obligations / Credit Enhancements:

- Investment of the scheme in the following instruments shall not exceed 10% of the debt portfolio of the scheme and the Group exposure in such instruments shall not exceed 5% of the debt portfolio of the scheme:
 - a) Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade.; and
 - b) Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.

For this purpose, a group means a Group as defined under regulation 2 (x) of SEBI (Mutual Funds) Regulations, 2006 (Regulations) and shall include an entity, its subsidiaries, fellow subsidiaries, its holding company and its associates.

- These investment limits mentioned above shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.
- Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares.

AMC may ensure that the investment in debt instruments having credit enhancements are sufficiently covered to address the market volatility and reduce the inefficiencies of invoking of the pledge or cover, whenever required, without impacting the interest of the investors. In case of fall in the value of the cover below the specified limit, AMC shall initiate necessary steps to ensure protection of the interest of the investors.

14. Repo transactions in corporate debt securities

- The gross exposure of any mutual fund scheme to repo transactions in corporate debt securities shall not be more than 10 % of the net assets of the concerned scheme.
- The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt and derivatives shall not exceed 100% of the net assets of the concerned scheme.
- Scheme shall participate in repo transactions on following corporate debt securities:
 - (a) Listed AA and above rated corporate debt securities.
 - (b) Commercial Papers (CPs) and Certificates of Deposits (CDs).
- The credit rating of exposures on repo transactions for various purposes including for PRC matrix, liquidity ratios, Risk-o-meter etc. shall be same as that of the underlying securities, i.e., on a look through basis.
- For transactions where settlement is guaranteed by a Clearing Corporation, the exposure shall not be considered for the purpose of determination of investment limits for single issuer, group issuer and sector level limits.
- In terms of Regulation 42(1), mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.

15. The scheme may invest in certain debt instruments with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a pre-specified event for loss absorption (For eg. Additional Tier I bonds and Tier 2 bonds issued under Basel III framework) subject to the following:

- a) Franklin Templeton Mutual Fund, under all its schemes shall not own more than 10% of such instruments issued by a single issuer
- b) A Mutual Fund scheme shall not invest:
 - a. more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and

- b. more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer.

The above investment limit for a mutual fund scheme shall be within the overall limit for debt instruments issued by a single issuer, as specified at clause 1 of the Sixth Schedule of SEBI (Mutual Fund) Regulations, 2026, and other prudential limits with respect to the debt instruments.

- 16. The scheme may consider investment in other financial market investments as per guidelines issued by the Central Government/SEBI/RBI from time to time.

The AMC/Trustee may alter these investment restrictions from time to time to the extent SEBI regulations/applicable rules change/permit so as to achieve the investment objective of the scheme. Such alterations will be made in conformity with SEBI regulations. Further, apart from the investment restrictions prescribed under SEBI regulations, the scheme may follow any internal norms vis-à-vis limiting exposure to a particular scrip or sector, etc.

The investment restrictions specified as a percentage of net assets will be computed at the time of making the investment and it is clarified that changes need not be effected, merely by reason of appreciation or depreciation in value or by reason of factors beyond the control of the scheme (such as receipt of any corporate or capital benefits or amalgamations). In case the limits are exceeded due to reasons beyond its control, the AMC shall adopt necessary measures of prudence to reset the situation having regard to the interest of the investors.

C. Fundamental Attributes

Following are the Fundamental Attributes of the scheme, in terms of Paragraph 1.9 of SEBI Master Circular for Mutual Funds dated March 20, 2026.

(i) Type of a scheme

- Open ended/~~Close ended/Interval scheme~~
- ~~Equity Schemes/Debt schemes/Hybrid Schemes/ Any other type of Scheme~~

(ii) Investment Objective

- **Main Objective** - ~~Growth/Income/Both.~~
- **Investment pattern** - Please refer to the section “How will the scheme allocate its assets?”. The fund retains the option to alter the asset allocation on a short-term basis in the interest of unitholders on defensive considerations.

(iii) Terms of Issue

- **Liquidity provisions such as listing, repurchase, redemption** - Please refer to Part I.
- **Aggregate fees and expenses charged to the scheme**- Please refer to Part III -

Other Details.

- Any safety net provided - None

In accordance with Regulation 22(9)(c) of the SEBI (MF) Regulations, 2026 and Paragraph 1.9.2 of SEBI Master Circular for Mutual Funds the AMC/Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- SEBI has reviewed and provided its comments on the proposal
- A written communication (including digital modes such as email/SMS etc.) about the proposed change is sent to each Unitholder and details as specified by the Board are appropriately displayed on the website of the AMC; and
- The Unitholders are given an option for a period of atleast 30 calendar days to exit at the prevailing NAV without any exit load

D. Other Scheme Specific Disclosures

Listing and transfer of units	The Scheme is open ended and the Units are not proposed to be listed on any stock exchange. However, the Mutual Fund may, at its sole discretion, list the Units on one or more Stock Exchanges at a later date, and thereupon the Mutual Fund will make suitable public announcement to that effect. The Mutual Fund will offer and redeem Units on a continuous basis during the Continuous Offer Period. The Unit holders are given an option to hold the Units by way of an Account Statement (physical form) or in Dematerialized (demat form). Units held in Demat form are transferable (subject to lock-in period, if any and subject to lien, if any marked on the units) in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 1996, as may be amended from time to time. Transfer can be made only in favor of transferees who are capable of holding Units and having a Demat Account. The delivery instructions for transfer of Units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be effected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode. Further, for the procedure of release of lien, the investors shall contact their respective DP. The units of the schemes are not transferable unless the units are held in electronic (demat) form or are held under a transferable Unit Certificate. However, restrictions on transfer of units during the lock-in period shall continue. Since this scheme shall not be listed on a recognised stock exchange, as the Mutual Fund offers repurchase (redemption) facility (subject to terms of the Scheme Information Document), the transfer facility is found redundant. Any addition or deletion of name in the Folio except in the case of joint account is treated as transfer of Units. In view of the same, additions or deletions of name(s) will not be allowed under any Folio except due to death of one joint holder or such other exceptional situations, upon producing evidence to the satisfaction of the Mutual Fund/AMC. A minor unit-holder upon attaining majority is entitled to introduce the erstwhile guardian as a joint holder subject to completion of necessary formalities.
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	However, if a transferee becomes a holder of the Units by operation of law or upon enforcement of a pledge, then the AMC shall, subject to production of such evidence, which in their opinion is sufficient, proceed to effect the transfer, if the intended transferee is otherwise eligible to hold the Units. A person becoming entitled to hold the Units in consequence of the death, insolvency, or winding up of the sole holder or the survivors of joint holders, upon producing evidence to the satisfaction of the Fund, shall be registered as a unitholder.
Dematerialization of units	Investors have an option to receive allotment and hold units of the schemes of Franklin Templeton Mutual Fund in demat form. For this purpose, the investors need to furnish the details of their depository account in the Application Form along with a copy of the Client Master Report / List (CMR/CML) or the Transaction Statement (the page reflecting name and holding pattern) for verification of the demat account. The Units allotted in electronic form will be credited to the investor's Beneficiary Account with a Depository Participant (DP) of CDSL or NSDL as per the details furnished by the investor in the Application Form. In case the Unitholder does not wish to get his/her Units converted / allotted in electronic form or the AMC is not able to credit the Units to the beneficiary account(s) of the investor for any reason whatsoever, the AMC shall issue Account statement(s) specifying the Units allotted to the investor. Please note that where the investor has furnished the details of their depository accounts in the Application Form, it will be assumed that the investor has opted for allotment in demat form and the allotment will be made only in demat form as default. In case of SIP, the units will be allotted based on the applicable NAV as per the terms of the Scheme Information Document of the respective scheme. The corresponding units will be credited to the investor's demat account following such allotment in the respective investor folio . The existing Unitholders can dematerialise the units held in physical form (represented by Account Statement) at any time by making an application to the Depository Participant by filling up the Conversion

	Request Form (CRF) and surrendering the Account Statement(s).
Minimum Target amount (This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return.)	INR 20 crore
Maximum Amount to be raised (if any)	Not applicable
Dividend Policy (IDCW)	The Trustee may, at its sole discretion distribute income under IDCW option/plan in the fund at any time and at such frequency (such as daily, weekly, monthly, quarterly, half-yearly, annually etc.) as it deems appropriate. Although there is every intention to distribute income, there is no assurance or guarantee as to the frequency or quantum of such distribution nor that the distributions be regularly paid. Income Distribution cum capital withdrawal (IDCW) is based on the availability of adequate distributable surplus in the scheme. Distributions can be made out of available distributable surplus (including Equalization Reserve, which is part of sale price that represents realized gains). Such distributions are payable to the Unitholders in the IDCW Plan, whose names appear on the Unitholders' register on the record date. The Trustee may not distribute income at all in the event of inadequacy of distributable income. The scheme reserves the right to suspend sale of units for such period of time as it deems necessary before the record date to ensure proper processing. The amount of distribution will be distributed within 7 working days from the record date. IDCWs will be paid through electronic mode or by cheque (in exceptional circumstances only), as per the payment mode opted for, net of taxes as may be applicable, and payments will be in favour of the first-named registered in the folio. To safeguard the interest of Unitholders from loss or theft of IDCW cheques, it is mandatory for investors to provide the details of their

	bank account in the Application Form. IDCW cheques or electronic payments will be sent in accordance with such information. Record dates for declaration of IDCW The procedure of declaring IDCW and fixing of record dates for regular/ad-hoc frequencies will be in accordance with Chapter 12 of SEBI Master Circular on Mutual Funds dated March 20, 2026. Track record of dividend distribution in the last 5 Years: Not applicable since this is a new scheme.
Allotment	Subject to the Scheme receiving the minimum subscription, full allotment will be made to all valid applications received during the New Fund Offer (NFO). Allotment of Units on Application shall be made in the following manner: An Account Statement containing the number of Units allotted will be issued within 5 Business Days from the closure of the NFO. The Units allotted in electronic form will be credited to the investor's Beneficiary Account with a Depository Participant (DP) of CDSL or NSDL as per the details furnished by the investor in the Application Form within 5 Business Days from the closure of the NFO and an intimation / allotment advice specifying the number of units allotted to the investor. The Account Statement of the Beneficiary Account with the DP will be sent by the respective DP's as per their service standards. Refund of subscription money to applicants, in case applications are invalid or rejected will be made within 5 Business Days from the closure of the NFO without any return. No interest will be payable on any subscription money so refunded. If the Mutual Fund refunds the amount after 5 Business Days from the closure of the NFO, interest at the rate as may be prescribed by SEBI (presently 15% p.a.) shall be paid out of the assets of the AMC for the period thereafter. Refund orders will be marked "A/c Payee only" and drawn in the name of the applicant in the case of a sole applicant and in the name of the first applicant in all other cases. For applicants applying through the ASBA mode, on allotment, the amount will be unblocked in their respective bank accounts and account will be debited

	only to the extent required to pay for allotment of Units applied in the application form.
Refund	If application is rejected, full amount will be refunded within 5 working days of closure of NFO. If refunded later than 5 working days @ 15% p.a. for delay period will be paid and charged to the AMC.
Who can invest This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile.	The scheme units can be purchased by the following entities (subject to the applicable legislation/regulation governing such entities): 1. Adult individuals, either singly or jointly (not exceeding three), resident in India. 2. Parents/Guardian on behalf of minors. 3. Companies/ Domestic Corporate Bodies/ Public Sector Undertakings registered in India. 4. Charitable, Religious or other Trusts authorised to invest in units of mutual funds. 5. Banks, Financial Institutions and Investment Institutions. 6. Non-Resident Indians (NRIs) and Overseas Citizen of India (OCI) (including erstwhile Person of Indian Origin card holders) on full repatriation basis and on non-repatriation basis but not (a) United States Persons within the meaning of Regulation 'S' under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission, as amended from time to time or (b) residents of Canada. 7. Foreign Portfolio Investors and such other entities as may be permitted under SEBI (Foreign Portfolio Investors) Regulations, 2019 and other applicable laws, as amended from time to time. 8. Hindu Undivided Family (HUF). 9. Wakf Boards or Endowments / Societies / Co-operative societies / Association of Persons or Body of individuals (whether incorporated or not), Trusts and clubs authorised to invest in units of mutual funds. 10. Sole Proprietorship, Partnership Firms, Limited Liability Partnerships (LLPs). 11. Army/Air Force/Navy/Para-military funds and other eligible institutions. 12. Scientific and/or industrial research organizations. 13. Other Associations, Institutions, Bodies etc. authorized to invest in the units of mutual funds. 14. Such other individuals/institutions/body

	corporate etc., as may be decided by the AMC from time to time, so long as wherever applicable they are in conformity with SEBI Regulations. 15. Mutual fund Schemes/ Alternative Investment Funds can also invest in the Scheme, subject to SEBI Regulations applicable from time to time. Units of the schemes of Franklin Templeton Mutual Fund is an eligible investment for charitable and religious trusts under the provisions of Schedule VII (Table Sl. No. 20) read with Schedule XVI of the Income-tax Act, 2025. In view of the individual nature of implications, the investors are advised to consult their own advisors to ascertain if they are eligible to invest in the scheme as per the laws applicable to them and whether the scheme is suitable for their risk profile.
Who cannot invest	The aforementioned persons/entities shall not be eligible to invest in the Scheme, if such persons/entities are: 1. United States Person (U.S. person*) as defined under the extant laws of the United States of America. <i>*The term "U.S. person" means any person that is a U.S. person within the meaning of Regulation S under the Securities Act of 1933 of U.S. or as defined by the U.S. Commodity Futures Trading Commission or as per such further amended definitions, interpretations, legislations, rules etc, as may be in force from time to time.</i> 2. Residents of Canada;
How to Apply and other details	Investors can subscribe for the Units of the Scheme by completing the Application Form and delivering it at any Investor Service Centre or Collection Centre. KYC complied investors/ Investors who are able to provide necessary information and/or documents to perform KYC can perform a web-based transaction to purchase units of the Scheme on website of the Mutual Fund (https://www.franklintempletonindia.com/downloads/forms-and-instructions) , FT Mobile app or through any other electronic mode introduced from time to time. Please refer to the SAI and Application form for the instructions.

	The Applications Forms shall be made available at Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of Mutual Fund and/or may be downloaded from the website of AMC. The list of the Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Mutual Fund will be provided on the website of the AMC (https://www.franklintempletonindia.com/download/en-in/odd-list-of-opats/c948bf89-5b6e-4e15-9b17-def6817a7fbd/List-of-official-points-of-acceptance.pdf). Please refer to Application form for the instructions. Email based non-commercial transactions (NCT) facility Will also accept specified non-commercial transactions (NCT) on email as attachments on nonfintransaction@franklintempleton.com will be dedicated for receiving specified non-commercial transaction requests. The list of Non-commercial Transactions that are eligible for this facility and Terms & Conditions applicable to the NCT requests received through email mode for the same is available on our website https://www.franklintempletonindia.com/downloads/forms-and-instructions Name, address and contact no. of Registrar and Transfer Agent (R&T), email id of R&T, website address of R&T, official points of acceptance, collecting banker details etc. are also provided on back cover page. As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications/ request for redemption and therefore, investors are requested to fill-up the appropriate box in the application form failing which applications are liable to be rejected.
The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.	Not Applicable

Restrictions, if any, on the right to freely retain or dispose of units being offered.	Suspension of sale of units With the approval of the Boards of Directors of the Trustee and the Asset Management Company, the sale of Units may be suspended temporarily or indefinitely when any of the following conditions exist: 1. The equity / debt market stops functioning or trading is restricted. 2. Periods of extreme volatility in the equity / debt market, which, in the opinion of the Investment Manager, is prejudicial to the interest of the investors. 3. When there is a strike by the banking community or trading is restricted by RBI or other authority. 4. Period of extreme volatility in the equity / debt / money market, which in the opinion of the Board of Directors of AMC and Trustee is prejudicial to the interest of the scheme's investors. 5. As and when directed by the Government of India or RBI or SEBI to do so or conditions relating to natural calamity/external aggression/internal disturbances etc. arises, so as to cause volatile movements in the money or debt market, which in the opinion of the AMC, will be prejudicial to the interest of the unitholders, if further trading in the scheme is continued. 6. Break down in the information processing/communication systems affecting the valuation of investments/processing of sale/repurchase request. 7. Natural calamity. 8. SEBI, by order, so directs. 9. Trustee views that increasing the Scheme's size further may prove detrimental to the existing/prospective Unitholders of the Scheme. 10. Any other circumstances which in the opinion of the Board of Directors of AMC and Trustee is prejudicial to the interest of the existing/prospective investors. Suspension of redemption of units With the approval of the Boards of Directors of the Trustee and the Asset Management Company, the redemption of Units may be suspended temporarily when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity
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	or the efficient functioning of markets such as: i. Liquidity issues - when market at large becomes illiquid affecting almost all securities rather than any issuer specific security. Further, restriction on redemption due to illiquidity of a specific security in the portfolio of a scheme due to a poor investment decision, shall not be allowed. ii. Market failures, exchange closures - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies. iii. Operational issues - when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out). Such cases can only be considered if they are reasonably unpredictable and occur in spite of appropriate diligence of third parties, adequate and effective disaster recovery procedures and systems. iv. Based on any other guidance/ circular issued by SEBI from time to time. Restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period. The approval from the Boards of AMC / Trustee shall also be informed to SEBI in advance. When restriction on redemption is imposed, the following procedure shall be applied: i. No redemption requests upto Rs. 2 lakh shall be subject to such restriction. ii. Where redemption requests are above Rs. 2 lakh, AMC shall redeem the first Rs. 2 lakh without such restriction and remaining part over and above Rs. 2 lakh shall be subject to such restriction. Any Units which, by virtue of these limitations, are not redeemed on a particular Business Day will be carried forward for redemption on the next following Business Day in order of receipt. Redemptions carried
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	forward will be made at the NAV in effect on the subsequent Business Day(s) on which the condition for redemption request is fulfilled. To the extent multiple redemptions are being satisfied in a single day under these circumstances, such payments will be made pro-rata based on the size of each redemption request. Under such circumstances, redemption cheques may be mailed out to investors within a reasonable period of time and will not be subject to the normal response time for redemption cheque mailing. In case where more than one application is received for redemption in a scheme for an aggregate redemption amount equal to or more than Rs.2 lakhs on any Business Day across all plans/options of the relevant scheme, then such applications shall be aggregated at the investor level (same holders/joint holders identified by their Permanent Account Numbers (PAN) in the same sequence). Such aggregation shall be done irrespective of the number of folios under which the investor is redeeming and irrespective of mode, location and time of application.
Cut off timing for subscriptions/redemptions/ switches This is the time before which your application (complete in all respects) should reach the official points of acceptance.	For subscriptions: Pursuant to SEBI guidelines, the cut off timings and the applicability of Net Asset Value of the scheme is under: In respect of valid applications received* up to 3:00 p.m. by the Mutual Fund and the funds are available for utilisation on the same day before the cut-off time - the closing NAV of the day on which the funds are available for utilisation shall be applicable. In respect of valid applications received* after 3:00 p.m. by the Mutual Fund and the funds are available for utilisation on the same day - the closing NAV of the Business Day following the day on which the funds are available for utilisation shall be applicable. However, irrespective of the time of receipt of application, where the funds are not available for utilisation on the day of the application, the closing NAV of the Business Day on which the funds are available for utilisation before the cut-off time (3:00 p.m.) shall be applicable provided the application is received* prior to availability of the funds.

	Investors are encouraged to avail electronic payment modes to transfer funds to the bank account of the Scheme to expedite unit allotment. For determining the availability of funds for utilisation, the funds for the entire amount of subscription/purchase (including switch-in) as per the application should be credited to the bank account of the scheme before the cut-off time and the funds are available for utilisation before the cut-off time without availing any credit facility whether intra-day or otherwise, by the respective scheme. For investments through systematic investment routes such as Systematic Investment Plans (SIP), Systematic Transfer Plans (STP), Transfer of Income Distribution cum capital withdrawal plan (TIDCW) etc. the units will be allotted as per the closing NAV of the day on which the funds are available for utilization by the destination Scheme irrespective of the instalment date of the SIP, STP or record date of IDCW etc. The Trustee/AMC may alter the limits and other conditions in line with the SEBI Regulations. *Received at the Official Points of Acceptance of Transactions of Franklin Templeton Mutual Fund. For Redemptions: Pursuant to SEBI guidelines, the cut off timings and the applicability of Net Asset Value of the scheme is under: In respect of valid applications received up to 3:00 p.m. by the Mutual Fund, same day's closing NAV shall be applicable. In respect of valid applications received after 3:00 p.m. by the Mutual Fund, the closing NAV of the next business day shall be applicable.
Minimum amount for purchase/redemption/switches	Purchase: Rs. 5000 Systematic Investment Plan (SIP) – Rs. 500 Redemption/ Switch out - Rs.1,000/- or 'All Units' if the account balance is less than Rs.1,000/-.

Accounts Statements	The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form). A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month by mail or email on or before 15th of the succeeding month. Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable For further details, refer SAI.
Dividend/ IDCW	The payment of dividend/IDCW to the unitholders shall be made within 7 working days from the record date.
Redemption	The redemption or repurchase proceeds shall be dispatched to the unitholders within three working days from the date of redemption or repurchase. For list of exceptional circumstances refer Paragraph 15.3.3 of SEBI Master Circular for Mutual Funds dated March 20, 2026.
Bank Mandate	As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications and therefore, investors are requested to fill-up the appropriate box in the application form failing which applications are liable to be rejected.
Delay in payment of redemption/ repurchase proceeds/dividend	The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide Paragraph 15.4 of SEBI Master Circular for Mutual Funds dated March, 20 2026 by SEBI for the period of such delay.

Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	The unclaimed redemption and IDCW amount may be deployed by the mutual fund in call money market, money market instruments or separate plan of Liquid scheme / Money Market Mutual Fund scheme floated specifically for deployment of the unclaimed amounts only. The investors who claim the unclaimed amounts during a period of three years from the due date shall be paid an initial unclaimed amount along-with the income earned on its deployment. Investors who claim these amounts after 3 years, shall be paid initial unclaimed amount along-with the income earned on its deployment till the end of the third year. After the third year, the income earned on such unclaimed amounts shall be used for the purpose of investor education. The AMC would make a continuous effort to remind the investors through letters to take their unclaimed amounts. The investment management fees charged by the AMC for managing unclaimed amounts will not exceed 50 basis points. The Fund/AMC shall not be liable to pay any interest or compensation on unclaimed amount.
Disclosure w.r.t investment by minors	In case of investments held in the name of a minor, no joint holders will be registered. The minor, acting through the guardian, should be the first and sole holder in the Folio/Account. The guardian should be either the parent (i.e. father or mother) or the court appointed legal guardian. The guardian of the minor may need to submit such declarations and/or other documents/information as a proof of guardianship, as may be prescribed by the AMC from time to time. Date of birth of the minor along with photocopies of the supporting documents (viz. birth certificate, school leaving certificate/ Mark sheet issued by Higher Secondary Board of respective states, ICSE, CBSE etc., or, passport or any other document evidencing the date of birth of the minor) should be mandatorily provided while opening the account. Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of the minor, i.e. the account the minor may hold with the parent/ legal guardian after completing all KYC formalities.

	Upon attainment of majority by the minor, the account should be regularised forthwith, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account. No further transactions shall be allowed till the status of the minor is changed to major. The AMC may specify such procedures for regularisation of the Folio, as may be deemed appropriate from time to time. Post attainment of majority by the minor, the Mutual Fund/AMC will not be obliged to accept any instruction or transaction application made under the signature of the guardian. In case of an application for registration of a systematic transaction facility (Systematic Investment Plan / Systematic Transfer Plan / Systematic Withdrawal Plan or Transfer of Income Distribution cum capital withdrawal), if the end date of the facility extends beyond the date of attainment of majority by the minor, such facility will be registered only up to the date of attaining majority.
Concept of Macaulay's Duration	The Macaulay duration is defined as the weighted average time to full recovery of principal and interest payments of a bond i.e. the weighted average maturity of cash flows. The weight of each cash flow is determined by dividing the present value of the cash flow by the price of the bond. It is computed as follows: $\text{Macaulay Duration} = \sum_{t=1}^n \frac{(PV)(Cf_t) \times t}{\text{Market Price of Bond}}$ (PV)(Cf_t) = present value of cash flows of a bond at period t t = time to each cash flow (in years) n = number of periods to maturity
Non applicability Minimum Application Amount (Lump-sum) and Minimum Redemption amount	As per Para 7.14 of SEBI Master Circular on Mutual Funds dated March 20, 2026, Alignment of interest of Designated Employees of Asset Management Companies (AMCs) with the Unitholders of the Mutual Fund Schemes has, inter alia mandated that a minimum slab wise percentage of the salary/ perks/ bonus/ non-cash compensation (gross annual CTC) net of income tax and any statutory contributions (i.e. PF and NPS) of the Designated Employees of the AMCs shall be mandatorily invested in units of Mutual Fund schemes in which they have a role/oversight.

	In accordance with the regulatory requirement, the minimum application amount and minimum redemption amount will not be applicable for investment made in schemes of the Fund in compliance with the aforesaid circular(s). The above-mentioned provisions shall override the conflicting provisions, if any.
Minimum Number of Investors	The Scheme/Plan shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme/Plan(s). However, if such limit is breached during the NFO of the Scheme, the Fund will endeavour to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme / Plan(s) does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme / Plan(s) shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25% limit. Failure on the part of the said investor to redeem his exposure over the 25% limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard
Deployment of Funds collected in New Fund Offer (NFO) period	Pursuant to SEBI Circular dated February 27, 2025, the AMC shall aim to deploy the funds garnered during the NFO within 30 business days from the date of allotment of units. In exceptional cases, if the AMC is unable to deploy the funds within the 30 business day period, a written explanation, including details of the efforts taken to deploy the funds, shall be placed before the Investment Committee of the AMC. The Investment

	Committee may extend the deployment timeline by up to 30 business days and will provide recommendations to ensure timely deployment in the future. In case the funds are not deployed as per the asset allocation mentioned in the SID as per the aforesaid mandated plus extended timelines, AMC shall: - not be permitted to receive fresh flows in the Scheme till the time the funds are deployed as per the asset allocation mentioned in the SID; - not be permitted to levy exit load, if any, on the investors exiting the Scheme after 60 business days of not complying with the asset allocation of the scheme; - inform all investors of the NFO, about the exit option without exit load, via email, SMS or other similar mode of communication; - report deviation, if any, to Trustees at each of the above stages
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III. Other Details

A. Periodic Disclosures

Portfolio / Financial Results: This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.

The Mutual Fund/ AMC shall within one month of the close of each half year i.e., 31st March and 30th September, upload the soft copy of its unaudited financial results containing the details specified in Regulation 70 on its website (<https://www.franklintempletonindia.com/reports> under the head Mutual Fund reports) and send a written communication to unitholders about the availability of financial results on the website..

The Mutual Fund shall disclose portfolio as on the last day of the fortnight/ month for all their schemes on its website (<https://www.franklintempletonindia.com/funds-and-solutions/funds-explorer/all-mutual-funds>) and on the website of AMFI within 5 days from the end of fortnight and 10 days from the close of each month. In case of unitholders whose e-mail addresses are registered, the Mutual Fund/ AMC shall send via email to such unitholders within prescribed timelines.

AMC shall declare on the website the hosting of the monthly/fortnightly statement of its schemes portfolio on the website and on the website of AMFI and the modes such as SMS, telephone, email or written request (letter) through which a unit holder can submit a request for a physical or electronic copy of the statement of scheme portfolio. AMC shall provide a physical copy of the statement of its scheme portfolio, without charging any cost, on specific request received from a unitholder.

Half-yearly Statement:

The AMC shall provide the Account Statement to the Unitholders who are not having Valid PAN excluding those investors who do not have any holdings in mutual fund schemes and where no commission against their investment has been paid to distributors, during the concerned half-year period. The Account Statement shall reflect the latest closing balance and value of the Units across all schemes in the respective folio, prior to the date of generation of the account statement the amount of actual commission paid by AMC to distributors (in absolute terms) during the half-year period against the concerned investor's total investments in each MF scheme and scheme's average Total Expense Ratio (in percentage terms) for the half-year period, of both direct plan and regular plan.

For those unitholders who have provided an e-mail address, the AMC will send the account statement by email.

The unitholder may request for a physical account statement by writing / calling us at any of the ISC.

The Account Statement issued by the AMC is a record of holdings in the scheme of Franklin Templeton Mutual Fund. Investors are requested to review the account statement carefully and contact their nearest Investor Service Centre in case of any

discrepancy. The contents of the statement will be considered to be correct if no error is reported within 30 days from the date of receipt of the Account Statement.

Annual Report:

The scheme-wise annual report, in machine readable format, shall be hosted on the Fund's website (<https://www.franklintempletonindia.com/reports>) and on the website of AMFI and make the physical copies available to the unit holders, at their registered offices at all times.

AMC shall e-mail the scheme annual reports or abridged summary thereof, in machine readable formats, to all such unit holders, whose email addresses are registered with the Mutual Fund, within 4 months from the date of closure of the relevant financial year. The said communication shall also include details of modes such as SMS, telephone, email or written request (letter), etc. through which unit holders can submit a request for a physical copy of the scheme wise annual report or abridged summary thereof.

B. Transparency/NAV Disclosure

(Details with reference to information given in Section I)

- The Mutual Fund is required to declare the NAV of the Scheme on every Business Day on AMFI's website www.amfiindia.com by 11.00 p.m. (current time limit for uploading NAV as per the SEBI guidelines) and also on our website [NAV of Mutual Funds: Latest NAV & Dividend Information - Franklin Templeton India®](#).
- NAV will be calculated up to four decimal places using standard rounding criteria.
- The first NAV shall be calculated and declared within 5 business days from the date of allotment of respective Plan(s)/Option(s) under the Scheme.
- The disclosure of NAV as outlined above is as per the prevailing SEBI Regulations and is subject to change from time to time

C. Transaction charges and stamp duty

- **Transaction charges:** The AMC/Mutual Fund shall deduct Transaction Charges on purchase/subscription applications received from investors that are routed through a distributor/agent/broker as follows, provided the distributor/agent/broker has opted to receive the transaction charges. The distributors have the option to either opt in or opt out of levying transaction charge based on type of the product:
 - a) First time investor in Mutual Funds: Rs.150/- on purchase/subscription application of Rs.10,000 and above.
 - b) Investors other than first time investor in mutual funds: Rs.100/- per purchase/subscription application of Rs.10,000 and above
 - c) Investments through Systematic Investment Plan (SIP) - the Transaction Charge shall be deducted only if the total commitment through SIP (i.e. amount per SIP instalment x No. of SIP instalments) amounts to Rs.10,000/- and above. The Transaction Charge shall be deducted in 3 or 4 instalments, as may be decided by the AMC from time to time.

Units will be allotted for the balance subscription amount (net of the transaction charge deducted).

Please refer to SAI for further details.

- **Stamp duty:** Mutual fund units issued against Purchase transactions (whether through lump-sum investments or SIP or STP or switch-ins or reinvestment under IDCW Option) would be subject to levy of stamp duty @ 0.005% of the amount invested. Transfer of mutual fund units (such as transfers between demat accounts) are subject to payment of stamp duty @ 0.015%. The rate and levy of stamp duty may vary as amended from time to time.

Please refer to SAI for further details.

D. Associate Transactions

Please refer to Statement of Additional Information (SAI)

E. Taxation

For details on taxation please refer to the clause on Taxation in the SAI apart from the following:

This information is provided for general information only and is based on the prevailing tax laws, as applicable in case of this Scheme. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/ authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.

Franklin Templeton Mutual Fund is registered as a Mutual Fund with Securities and Exchange Board of India ('SEBI') under SEBI (Mutual Fund) Regulations, 1996. Any income earned by such mutual fund registered with SEBI is exempt from taxation as per section 11 read with Schedule VII, Table: Sl. No. 20 of the Income Tax Act, 2025 ('Act')

Category of this Scheme: As per section 76(5)(b) of the Act, this scheme is a **Specified Mutual Fund**

"Specified mutual fund" means a mutual fund by whatever name called,

- (i) which invests more than 65% or more of its total proceeds in debt and money market instruments or
- (ii) which invests 65% or more of its total proceeds in units of fund referred to in clause (i) above.

Provided that the percentage of investment in debt and money market instruments or in units of a fund, as the case may be, in respect of the Specified Mutual Fund, shall be computed with reference to the annual average of the daily closing figures:

Provided further that for the purposes of this clause, "debt and money market instruments" shall include any securities, by whatever name called, classified or

regulated as debt and money market instruments by the Securities and Exchange Board of India.

Taxability in the hands of Investor

If the units are held as stock-in-trade of a business, the said income will be taxed at the rates at which the normal income of that investor is taxed.

If the units are held as investments, the said income will be taxed as capital gains. In such case, the tax rates applicable will depend on whether the gain on sale of units is classified as a short-term capital gain or a long-term capital gain.

Tax Rates

Nature of Income	Resident Individual & HUF	Domestic Corporate	Non-Resident Investor
IDCW	As per applicable tax rate	As per applicable tax rate	20%
LTCG Listed Units - Holding Period > 12 Months Unlisted Units - Holding Period > 24 Months	Deemed to be STCG as per section 76 of the Act		
STCG Listed Units - Holding Period <= 12 Months Unlisted Units - Holding Period <= 24 Months	As per applicable tax rate	As per applicable tax rate	As per applicable tax rate FPIs - 30%

Withholding Tax Rates (TDS)

Nature of Income	Resident Individual & HUF	Domestic Corporate	Non-Resident Investor [#]
IDCW	10% ^{**}	10% ^{**}	20%
LTCG Listed Units - Holding Period > 12 Months Unlisted Units - Holding Period > 24 Months	Nil	Nil	Deemed to be STCG as per section 76 of the Act
STCG Listed Units - Holding Period <= 12 Months Unlisted Units - Holding Period <= 24 Months	Nil	Nil	Non-Corporate - 30% Corporate - 35%

IDCW – Income Distribution cum capital withdrawal

LTCG – Long Term Capital Gain

STCG – Short Term Capital Gain

[#] In case of a foreign portfolio investor, no TDS is required on LTCG and STCG

^{**} As per provision of section 393(1), Table: Sl. No. 4(i) of the Act, where the amount of income credited or paid in a financial year, in aggregate, does not exceed Rs. 10,000, no withholding is required to be carried out. However, the scheme shall be withholding tax when the aggregate amount in financial year at Permanent Account Number (PAN) level exceeds Rs. 9,000.

Tax rates mentioned above are further increased by surcharge and health and education cess as may be applicable for respective investor.

Surcharge and cess shall not be applied on basic tax while deducting TDS, if any, on

income of resident investors.

Surcharge Rates

Total income	Individual /HUF ~~	Partnership Firms & Co-operative Societies	Domestic Companies*	Foreign Companies
Less than or equal to 50 lakhs	NIL	NIL	NIL	NIL
>50 lakhs <= 1 crore	10%	NIL	NIL	NIL
>1 crore <= 2 crores	15%	12%	7%	2%
>2 crores <= 5 crores	25%	12%	7%	2%
>5 crores <= 10 crores	37%	12%	7%	2%
>10 crores	37%	12%	12%	5%

~~ Surcharge rate shall not exceed 25% in case of individual and HUF being taxed under tax regime under section 202 of the Act. In case total income includes income by way of dividend on shares, short-term capital gains on units of equity oriented mutual fund schemes and long-term capital gains on mutual fund schemes, the rate of surcharge on the said type of income not to exceed 15% [refer clause on Taxation in the SAI for further details]

* 10% basic surcharge (irrespective of taxable income) for domestic companies availing benefit under section 200 and section 201 of the Act.

Tax plus surcharge shall be further increased by a health and education cess of 4 percent.

DTAA Benefits

Taxability in the hands of non-resident investor shall be subject to Double Taxation Avoidance Agreement (“DTAA” or “tax treaty”) benefits which can be claimed in the return of income to be filed by such investors, as applicable. Further, such DTAA benefit may also be claimed at the time of withholding of taxes (subject to requisite documents for claiming DTAA benefit made available by investor to the Mutual Fund). The investors should obtain specific advice from their tax advisors regarding the availability of the tax treaty benefits.

PAN-AADHAR Linking

As per section 262(6)(b) of the Act read with rule 162 of the Income-tax Rules, 2026, in the case of a resident person, whose PAN has become inoperative due to non-linking of PAN with Aadhaar, it shall be deemed that he has not furnished the PAN and tax could be withheld at a higher rate of 20% as per section 397(2) of the Act.

Securities Transaction Tax (STT)

No STT is payable on sale (redemption) of units of a specified mutual fund.

DISCLAIMER: The information given here is neither a complete disclosure of every material fact of Income-tax Act 2025 nor does it constitute tax or legal advice. Investors are requested to review the prospectus carefully and obtain expert professional advice with regard to specific legal, tax and financial implications of the investment/participation in the scheme

F. Rights of Unitholders

Please refer to SAI for details.

G. List of official points of acceptance

Please refer <https://www.franklintempletonindia.com/downloads/fund-documents> for a complete list of Official points of acceptance.

H. Penalties, Pending Litigation or Proceedings

Penalties, Pending Litigation or Proceedings, Findings of Inspections or Investigations for which action may have been taken or is in the process of being taken by any Regulatory Authority

Please refer <https://www.franklintempletonindia.com/download/en-in/odd-penalties/6e03f15a-bb96-4cfb-a3cf-ca14711b1a82/Penalties-and-Pending-Litigation-Section.pdf>

Notwithstanding anything contained in the Scheme Information Document the provisions of the SEBI (Mutual Funds) Regulations, 2026 and the Guidelines thereunder shall be applicable.

The Scheme under this Scheme Information Document was approved by the Trustee vide its resolution dated April 29, 2026.

The Trustees have ensured that Franklin India Short Term Fund approved by them is a new product offered by Franklin Templeton Mutual Fund and is not a minor modification of the existing scheme/fund/product.

DIRECTORY

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Registrars Computer Age Management Services Private Limited No.10 (Old No.178), M.G.R. Salai, Nungambakkam, Chennai – 600 034 Website: www.camsonline.com Email: enq_fti@camsonline.com	Custodians Hongkong and Shanghai Banking Corporation Limited (HSBC) 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001	Auditors B S R & Co. LLP, Chartered Accountants – having its office at 5 th Floor, Lodha Excelus, Appollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai – 400 011

