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FRANKLIN INDIA EQUITY SAVINGS FUND

An open ended scheme investing
in equity, arbitrage, and debt



NEW FUND OFFER OPENS ON	August 03, 2018
NEW FUND OFFER CLOSES ON	August 17, 2018
FUND CATEGORY	Hybrid - Equity Savings Fund
TYPE OF SCHEME	Open-ended scheme investing in equity, arbitrage, and debt
INVESTMENT OPTIONS	Growth Option Dividend Option (Payout and Reinvestment)
EXIT LOAD	<p>Upto 10% of the Units may be redeemed without any exit load in each year from the date of allotment.</p> <p>Any redemption in excess of the above limit shall be subject to the following exit load:</p> <ul style="list-style-type: none"> ➤ 1% - if redeemed on or before 1 year from the date of allotment ➤ Nil - if redeemed after 1 year from the date of allotment

INVESTMENT OBJECTIVE OF THE SCHEME

Franklin India Equity Savings Fund intends to generate long-term capital appreciation by investing a portion of the assets in equity and equity related instruments. The Scheme also intends to generate income through investments in fixed income securities and using arbitrage and other derivative strategies.

INVESTMENT ALLOCATION & STRATEGY

Under normal market circumstances, the fund will follow the below asset allocation pattern: The investment strategy will broadly adopt the below guidelines -

ASSET CLASS	MINIMUM	MAXIMUM
Total Equity & Equity Related Securities	65%	90%
➤ Net Long Equity*	15%	65%
➤ Equity Derivatives*	0%	75%
Debt & Money Market Instruments	10%	35%
Units issued by REITs & InvITs	0%	10%

*of Equity & Equity Related Securities

Net long equity exposure is a directional equity exposure that will not be hedged. This equity exposure means exposure to equity shares alone without a corresponding equity derivative exposure. Equity derivative exposure would normally be taken against the underlying equity investments and such exposure will not be considered for calculating the gross exposure of the scheme.

INVESTMENT STRATEGY

- The fund has a dual objective of generating income by investing in debt and money market securities as well as generating capital appreciation by investing in equity and equity related securities
- It will seek to reduce volatility of returns by actively using equity derivatives as a hedge
- For hedging the portfolio, the fund seeks to employ cash-futures arbitrage. It will invest in equity stocks in the cash market and take short position in futures market to avail arbitrage between spot & futures market and reduce net long equity exposure.
- For the unhedged (Net Long) equity exposure, the fund plans to maintain a diversified portfolio of stocks, investing across market capitalisation
- For the fixed income portfolio, the fund will adopt a combination of accrual and duration strategies

The performance of the scheme will be benchmarked to the Nifty Equity Savings Index.

ABOUT THE FUND MANAGERS

Mr Lakshmikanth Reddy will be the Fund Manager for equity portion of the scheme.

Mr Sachin Padwal-Desai & Mr Umesh Sharma will be the fund managers for the debt assets.

Mr Srikesh Nair will oversee investments in foreign securities

Mr Lakshmikanth Reddy is Vice President and Portfolio Manager at Franklin Templeton Mutual Fund. He has over two decades of experience in fund management and equity research. In previous assignments, he was associated with ICICI Prudential Life Insurance, HSBC Capital Markets, ABN Amro Asia Equities, among others. He is a B.Tech from JNTU, Hyderabad and PGDM from IIM, Ahmadabad. He also manages two equity funds and the equity portion of three hybrid funds.

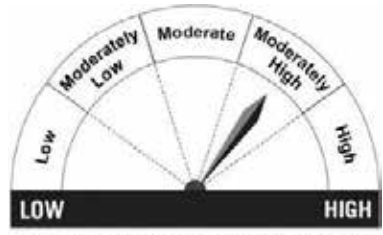
Mr Sachin Padwal-Desai is Vice President and Portfolio Manager – Fixed Income at Franklin Templeton Mutual Fund. He comes with 21 years of experience in fixed income securities. In the past, he has worked with ICICI Bank. He is a B.E. and a PGDM, IIM-Bangalore. He manages/co-manages 10 other debt schemes of the fund house.

Mr Umesh Sharma is Vice President and Portfolio Manager – Fixed Income at Franklin Templeton Mutual Fund. He joined the fund house in 2010 and has a total experience of 18 years. In the past, he has worked in the capacity of Portfolio Manager with Religare Mutual Fund and Lotus Mutual Fund. Mr Sharma has also been associated with ICICI Bank and JM Financial Mutual Fund. By qualification, he is a B.Com, CA, CS and CFA. He manages/co-manages seven other schemes of the fund house.

FUND SUITABILITY

- The fund is suitable for moderate-to-high risk investors with an investment horizon of 1 year or more
- The net long equity exposure provides growth, while the arbitrage and debt exposure assist in keeping the volatility of the fund low
- Based on its risk-return potential, Equity Savings Funds are positioned between Conservative Hybrid Funds and Balanced Advantage Funds
- Investors get the opportunity to grow wealth through a marginal equity exposure, thus gaining the potential to earn higher returns than pure fixed income investments
- As the fund maintains an equity exposure above 65%, it enjoys tax benefits of an equity scheme. Hence, the post-tax return is expected to be better than Conservative Hybrid Funds, albeit with marginally higher risk

FUND SUITABILITY

FUND NAME	PRODUCT LABELING THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKIN *		
	Nature of scheme & indicative time horizon	Brief about the investment objective & kind of product	Level of risk Riskometer
Franklin India Equity Savings Fund (FIESF)	Income generation and capital appreciation over medium to long term	A fund that invests in equity and equity related securities including the use of equity derivatives strategies and arbitrage opportunities with balance exposure in debt and money market instruments	 <p>LOW HIGH</p> <p><small>Investors understand that their principal will be at Moderately High risk</small></p>

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

Mutual Funds are subject to market risks, please read all scheme related documents carefully.

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