FRANKLIN TEMPLETON

# Franklin India Fund

**A (acc) USD: AEDFXA56C081** | **Commentary | as of 30 June 2026**

## Key Takeaways

- **Markets:** Indian equities recovered from the previous quarter.
- **Detractors:** The fund underperformed its benchmark, the MSCI India, for the quarter, primarily due to stock selection and an underweight in Financials, stock selection in Information Technology, and stock selection and an underweight in Industrials.
- **Contributors:** Stock selection and an overweight in Consumer Discretionary and Health Care, and an underweight in Energy contributed to relative performance for the quarter.
- **Outlook:** The Indian stock market outlook remains structurally positive for long-term growth, though near-term momentum is tempered by global geopolitical volatility and domestic economic headwinds.

## Performance Review

**Past performance does not predict future returns.**

- Indian equities recovered from the previous quarter, rising on better sentiment from the US-Iran deal and as crude oil prices calmed. Supportive comments from the central bank on interest rates and hopes that a US-India trade deal would be signed soon also helped benchmarks.
- The fund underperformed its benchmark, the MSCI India, for the quarter, primarily due to stock selection and an underweight in Financials, stock selection in Information Technology, and stock selection and an underweight in Industrials.
- MakeMyTrip is an India-based online travel company. Its share price bounced back after a recent correction and news that the company is weighing the benefits of listing its Indian arm via Indian Depositary Receipts than an Initial Public Offering. A deal to sell its restaurant platform also boosted its share price.
- Stock selection and an overweight in Consumer Discretionary and Health Care, and an underweight in Energy contributed to relative performance for the quarter.
- Cognizant Technology is a technology services company. Its share price slid on a poor growth outlook as artificial intelligence (AI) concerns continue to plague information technology services companies. However, Cognizant has recently pivoted to a more AI-focused strategy and has improved its operational execution. We therefore continue to remain positive on shares of Cognizant.

## Outlook

- The Indian stock market outlook remains structurally positive for long-term growth, though near-term momentum is tempered by global geopolitical volatility and domestic economic headwinds. While the earnings per share (EPS) growth for the Nifty index for the 2026 fiscal year has been halved to 7% to 8%, EPS growth for the 2027 fiscal year is expected to rebound to 16% to 18%. A key driver will be banks and companies in the financials sector, which will benefit from stable to rising interest rates. Companies catering to global commodities, products and services will also benefit from the appreciation of the Indian rupee, which experienced a modest recovery in recent weeks.
- Geopolitical shocks and the resultant energy costs have already been factored into valuations. Looking past valuations, while India's economic growth outlook has been revised slightly lower, economic growth remains resilient and the country remains one of the fastest-growing large economies in the world. While India has been left out the global AI exuberance, India's information technology services companies are positioned for long-term enterprise integration and innovation. Committed and pipeline investments in AI infrastructure fuel the AI ecosystem and provide a positive backdrop.
- India's growth story remains intact. Long-term secular drivers of consumer penetration and premiumisation, disruption by the new economy and capex spending remain key themes of both India and the portfolio.
- Following the market correction over the past several months, valuations have become more reasonable particularly within the large-cap segment. While near-term earnings may face pressure from elevated input costs, currency weakness and softer global demand the medium- to long-term structural growth drivers for India remain intact.

## Investment Overview

The Protected Cell is dedicated to investing in one or more share classes (each, an "Underlying Share Class") of Franklin Templeton Investment Funds – Franklin India Fund (the "Underlying Master Fund"). The investment objective of the Underlying Master Fund is capital appreciation.

## Fund Overview

| | |
|---|---|
| ISIN | AEDFXA56C081 |
| Bloomberg | FRINACU UH |
| Morningstar Peer Group | Asia Equity |
| Umbrella | Franklin Templeton Investments Feeder Funds |
| Fund Base Currency | USD |
| Fund Inception Date | 17/12/2024 |
| Share Class Inception Date | 17/12/2024 |

**Past performance does not predict future returns.**

## Discrete Annual Performance (%) - as of 30 June 2026

| Class | 06/25 06/26 | 06/24 06/25 | 06/23 06/24 | 06/22 06/23 | 06/21 06/22 | 06/20 06/21 | 06/19 06/20 | 06/18 06/19 | 06/17 06/18 | 06/16 06/17 |
|---|---|---|---|---|---|---|---|---|---|---|
| A (acc) USD | -17.48 | — | — | — | — | — | — | — | — | — |
| Benchmark (USD) | -12.76 | — | — | — | — | — | — | — | — | — |

## Total Returns (%) - as of 30 June 2026

| Class | 1-Mo* | 3-Mo* | YTD* | 1-Yr* | 3-Yr* | 5-Yr* | Inception* | 3-Yr | 5-Yr | Inception | Inception Date |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A (acc) USD | 3.18 | 8.12 | -12.78 | -17.48 | — | — | -18.80 | — | — | -12.70 | 17/12/2024 |
| Benchmark (USD) | 1.45 | 10.07 | -9.89 | -12.76 | — | — | -11.36 | — | — | -7.56 | — |

*Cumulative total returns. All other time periods are annualised returns.

## Benchmark(s) and Type

| | |
|---|---|
| MSCI India Index-NR | Comparator |

**The value of shares in the Fund and income received from it can go down as well as up, and investors may not get back the full amount invested.**
Performance details provided are in share class currency, include the reinvested dividends gross of tax and are net of management fees. Sales charges, taxes and other locally applied costs have not been deducted. The fund's returns may increase or decrease as a result of changes to foreign exchange rates.

Up to date performance figures can be found on our website.
When performance for either the portfolio or its benchmark has been converted, different foreign exchange closing rates may be used between the portfolio and its benchmark.

## What are the Risks?

The Fund does not offer any capital guarantee or protection and you may not get back the amount invested. The Fund is subject to the following risks which are materially relevant:

Protected Cell involves a high degree of risk and is suitable only for investors who fully understand and who can bear the risks of such an investment for an indefinite period. Listed below are the 'Certain Risk Factors' relating to an investment in the Protected Cell. **Emerging markets risk**: the risk related to investing in countries that have less developed political, economic, legal and regulatory systems, and that may be impacted by political/economic instability, lack of liquidity or transparency, or safekeeping issues. **Foreign Currency risk**: the risk of loss arising from exchange-rate fluctuations or due to exchange control regulations. **Liquidity risk**: the risk that arises when adverse market conditions affect the ability to sell assets when necessary. Such risk may be triggered by (but not limited to) unexpected events such as environmental disasters or pandemics. Reduced liquidity may have a negative impact on the price of the assets. All potential investors must carefully read the sections entitled " Certain Risk Factors and Potential Conflicts of Interest" in the Prospectus and Supplement for a full discussion of all the risks before making an investment in the Protected Cell.

Complete information on the risks of investing in the Fund are set out in the Fund's prospectus.

## Important Information

**This feeder fund is dedicated to investing in one or more share classes of the Underlying Master Fund. Any information pertaining to the Underlying Master Fund has been provided for understanding and evaluating feeder fund only, there is no intention to promote the Underlying Master Fund. The Underlying Master Fund is not registered in the UAE for public distribution.**

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For the avoidance of doubt, if you make a decision to invest, you will be buying shares in the Fund and will not be investing directly in the underlying assets of the Fund. The value of shares in the Fund and income received from it can go down as well as up, and investors may not get back the full amount invested. **Past performance does not predict future returns.** Currency fluctuations may affect the value of overseas investments. When investing in a fund denominated in a foreign currency, your performance may also be affected by currency fluctuations.

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The Fund may use financial derivatives or other instruments which may entail specific risks more fully described in the Fund's Prospectus and, where available, in the relevant Key Investor Information Document or any other relevant offering document.

Subscriptions to shares of the Fund can only be made on the basis of the current Prospectus of the Fund, the relevant supplement for a protected cell, and the relevant Key Investor Information Document (or any other relevant offering document), accompanied by the latest available audited annual report and the latest interim report if published thereafter. These documents can be found on our website at franklintempletonme.com or obtained, free of charge, from your local FT representative or the address below.

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