

## Twitter Thread by [Nagpal Manoj](#)



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### Franklin Templeton Update

**1. Franklin Templeton (Trustees) - six schemes under winding up - have announced dates of voting to seek consent of Unitholders to wind up. Voting begins 26Dec20 at 9am**

**2. Supreme Court will continue to hear the case - Next hearing on 9th Dec**

**(1/n)**

Q1: What is the voting about by FT

Ans: To validate/approve decision of Trustees to wind up 6 schemes - both Guj & Knataka Courts said Unitholder consent is mandatory

FT has now agreed to do this and this vote will take ur consent to either wind up the scheme or NOT.

**(2/n)**

Q2: What are the options in this Voting?

Ans: This will be the first voting. (There will be a second vote, I will explain in thread later)

In this Vote, you will have two options

YES - Wind up Schemes

No - Do not wind up, open them up

You have to choose one option

**(3/n)**

Q3: Should I vote YES or No?

Ans: There is fatigue in investors as their money is locked up for in these tough Covid times. It's been now over 7 months

Most investors take it as fait accompli to vote YES

FT is exhorting investors to vote YES as the best way ahead

(4/n)

Q4: But how should investors vote? YES or No?

Ans: YES will lead to wind up at a pace defined by winder (the person winds up the scheme). This will lead to best value realisation of underlying assets

NO- Will lead to immediate access to money but not best value for you

(5/n)

Q5: So everyone should/will vote YES?

U should vote as per ur needs

If you dont need immediate access / need your money - then best to vote YES (most will do this)

If u need access to money urgently and cannot wait - then Vote NO

Also depends on the scheme u r invested

(6/n)

Q6: Which dodo will vote NO? It will lead to haircut, distress sale!!

Akash lost job in Covid. His money is locked in Covid. So he maxed his credit card and is paying 40% interest. He may vote NO

Ghosh - Retired - Used to withdraw monthly from FT. He may need urgently

(7/n)

Ramdas had put 40k in FT scheme. He may think that 25% haircut will be 10k loss. But he will get 30k immediately but all this magaz mari will end. He may think differently

But most will vote YES - as most of u don't need immediate access to money and want max money

(8/n)

Q7: Does it matter which scheme I have invested in? Or will voting be same irrespective

Ans: Whether you vote, YES or No also depends on the scheme you have invested in.

Also if you have invested in two schemes - You will need to vote twice - Once for each scheme

(9/n)

For eg: The riskier and illiquid the underlying portfolio of your scheme - better to vote YES. As more illiquid portfolios will need more time for "Winder". Immediate sale will need to more losses

So for eg: Franklin Credit Risk it is best to vote YES

Get it?

(10/n)

Q8: But how will I know how illiquid underlying portfolio is?

Ans: FT should have ideally given u a stress test result of each scheme

Stress Test - tells how the portfolio will be impacted if there is a rush of redemptions

They have not given. That would have helped

(11/n)

Q9: Lets not point fingers at FT and what they should have done.

If I vote YES, won't I get back my money after the vote?

Ans: No. After 1st vote and if most say YES,  
then there has to 2nd vote

In this 2nd Vote, u have to decide who will wind up the scheme

(12/n)

Q10: And when will the 2nd Vote be (if 1st Vote is in favor of winding up)

Ans: Second vote will be in 2nd fortnight of Jan 2021 at the earliest

Q11. What is the date?

FT will announce this later - after results of 1st vote

(13/n)

Q12: And when will be results of 1st Vote ? On 29th Dec right?

Ans: FT has appointed an auditor - who will validate the voting & announce results

They have not said how long the auditor will take. It could be immediate or a few days at max. But I don't know the date

(14/n)

Q13: So why hasn't FT announced date of the 1st vote results?

Ans: FT should ideally give full calendar. a time-frame of 1st vote, results, date of 2nd vote, results and the date when winding up can be formalised

That will help investors to know a definite time frame

(15/n)

Q14: But will there will be a big gap between 1st and 2nd vote?

Ans: NO. FT has already clarified that 2nd Vote will be soon after 1st vote. So one can expect that FT will give another 21 day notice after 1st vote result and immediately do the 2nd vote in Jan end

(16/n)

Q15: So we will get our money by say 1st week of Feb?

Ans: Winding up process will begin only after successful completion of both 1st & 2nd vote

Post that all regulatory formalities will be completed

Then Cash in portfolios will be disbursed and active sales of balance

(17/n)

Q16: If all this is final, then what is Supreme Court hearing? Can Supreme Court change this course?

Ans; SC can and will continue hearings and we will track that separately

Hope this FAQs has given u a perspective on how things will unfold for FT hereon

\*\*\* Ends \*\*

(18/18)