



FRANKLIN TEMPLETON
INVESTMENTS

December 31, 2017

Annual Management Report of Fund Performance



This annual management report of fund performance contains financial highlights but does not contain the complete financial statements of the investment fund. If you have not received a copy of the annual financial statements with this report, you can get a copy of the annual financial statements at your request, and at no cost, by calling 1.800.387.0830, by writing to us at 5000 Yonge Street, Suite 900, Toronto ON M2N 0A7, or by visiting our website at www.franklintempleton.ca or SEDAR at www.sedar.com. Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Co-Lead Manager

Les E. Stelmach, CFA

Franklin Bissett Investment Management, part
of Franklin Templeton Investments Corp.

Industry Experience: 19 years

Location: Calgary, AB

Co-Lead Manager

Ryan Crowther, CFA

Franklin Bissett Investment Management, part
of Franklin Templeton Investments Corp.

Industry Experience: 16 years

Location: Calgary, AB

INVESTMENT OBJECTIVE AND STRATEGIES

Franklin Bissett Dividend Income Fund (the “Fund”) seeks high current income by investing primarily in dividend-paying Canadian and US preferred and common stocks. The Fund also holds up to 25% of its total assets in bonds to reduce volatility and enhance income.

The Franklin Bissett equity team applies a bottom-up research approach to identify companies with a history of sustainable, profitable growth. One of the many selection criteria in this process is that chosen stocks have attractive valuations relative to the intrinsic value of the business. As every Franklin Bissett equity manager is committed to GARP-style investing, each Fund holding will have been identified for growth prospects and have been purchased at what the portfolio manager considered to be a reasonable valuation.

Income generation is a key focus for the Fund, and all investments must generate reasonable yields. As a result, it is expected that over the fullness of time, dividends will represent a meaningful component of total returns.

RISK

The risks of investing in the Fund remain as stated in the prospectus. The Fund is suitable for conservative investors with a medium- to long-term investment horizon and low to medium risk tolerance, who are seeking dividend income, some capital gains and possibly some interest income.

RESULTS OF OPERATIONS

As at December 31, 2017, total net asset value of the Fund was \$693.1 million, a decrease of 5.0% from December 31, 2016. This was primarily driven by \$69.1 million in net redemptions and partially offset by an increase of \$33.7 million in net assets from operations. The Fund paid out \$1.4 million in cash distributions to unitholders.

During the past year, the Fund’s Series A units generated total returns of 3.5%. As the Fund is composed of a blend of Canadian equities, fixed income investments and US equities, it employs a custom benchmark, the Custom Franklin Bissett Dividend Income Benchmark (the “Benchmark”), which returned 9.4% over the period in review. Over the same time period, the S&P/TSX Composite Total Return Index returned 9.1%, in Canadian-dollar terms. The performance of the Fund’s other

series is similar to that of its Series A units, except for differences in expense structure. For the return of the Fund’s other series (if applicable), please refer to the “Past Performance” section.

The Fund underperformed the Benchmark during the reporting period. Underperformance in US and Canadian equities was slightly offset by outperformance in fixed income. Other than the Fund’s minimal cash balance, all categories produced positive absolute returns.

US equities were the most significant detractor from relative returns. Although realizing slightly positive total returns, this category significantly lagged the S&P 500 Total Return Index, which advanced 14.1%. General Electric Co. was the main individual underperformer, declining 46.7%. General Electric provided a business update during the fourth quarter, disclosing disappointing earnings and free cash flow guidance. Upon evaluation of the new guidance and given the drop in share price, the portfolio manager decided to maintain the portfolio’s position, despite the negative impact on the intrinsic value of the business. As always, the portfolio manager’s valuation and investment thesis are founded on long-term projections of profitability. The portfolio manager’s ongoing assessment of the turnaround and restructuring efforts, and the extent to which it believes they improve profitability, will be of key importance.

Canadian equities also weighed on relative returns, but to a lesser extent. Even though returns in this category were positive and higher than for US equities, they lagged the S&P/TSX Composite Total Return Index by approximately 250 basis points. Peyto Exploration & Development Corp. in the Energy sector was the second-worst detractor from the Fund’s overall relative performance, returning -52.3%. The business faced ongoing challenges due to continued weakness in natural gas prices. Management continues to focus on minimizing costs, while growing the production base. The company benefits from its low decline rates compared to peers. This allows for modest capital expenditures, which is crucial for a price-taker business.

On the other hand, contributors in the equity sleeves were McDonald’s Corp., which continued to benefit from better operating results and gained 35.3%; IGM Financial Inc., which recovered as it continued to generate strong profitability despite a challenging environment, benefitting from its strong distribution presence across Canada, and increased 21.9%; and Brookfield Infrastructure Partners LP, which advanced 30.4%, and continues to opportunistically deploy capital around the globe, leveraging its reputation and strong merger-and-acquisition capabilities to build its portfolio of energy, communications, utilities and transportation infrastructure assets.

The fixed income category, including preferred shares, bolstered relative performance. Both bonds and preferred share returns outpaced that of their respective indices in the Benchmark.

Index performance comparison information is provided for reference only. It is important to note that the Fund’s return reflects the effect of fees and expenses for professional management, while an index does not have such costs.

Average net assets of the series of the Fund that bear expenses have remained relatively flat for the year ended December 31, 2017, resulting in expenses remaining relatively unchanged during the period. Income received from investments held, excluding net realized and/or unrealized gain (loss) on investments and derivatives, decreased due to the results of the Fund's investment activities, including, but not limited to, those previously discussed for the period in review.

RECENT DEVELOPMENTS

The portfolio manager remains cautiously optimistic entering 2018. While US and Canadian equities remain in an extended bull market, suggesting some vulnerability to a pullback, sector returns have been substantially divergent over the past few years, providing some windows of opportunity. The Energy sector, after contributing significantly in 2016, was a significant drag on performance in 2017. A number of Fund holdings are priced well below the portfolio manager's estimate of intrinsic value, and it expects this gap to narrow. Within Financials, the Fund continues to have an overweighted position within Canadian banks that has benefitted performance. Share-price appreciation among banks has caused the portfolio manager to trim the Fund's exposure as part of the normal course of portfolio-rebalancing activities. However, the portfolio manager remains positive on the outlook for financial services, especially if interest rates should continue to rise from their currently very low levels.

The portfolio manager believes there is sufficient opportunity within the US and Canadian equity markets to construct a dividend-oriented portfolio that meets or exceeds the Fund's long-term equity return objectives.

FORWARD-LOOKING STATEMENTS

Investors should take note that certain statements in this report about a fund, including its strategy and expected future performance, are forward-looking. Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as "may," "will," "should," "could," "expect," "anticipate," "intend," "plan," "believe," or "estimate" or other similar expressions. Any statement that is made concerning future strategies or performance is also a forward-looking statement. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the forward-looking statements.

The forward-looking statements are by their nature based on numerous assumptions, which include, amongst other things, that (i) the Fund can attract and maintain investors and has sufficient capital under management to effect its investment strategies, (ii) the investment strategies will produce the results intended by the portfolio manager, and (iii) the markets will react and perform in a manner consistent with the investment strategies. Although the forward-looking statements contained herein are based upon what the portfolio manager believes to be reasonable assumptions, the portfolio manager cannot assure that actual results will be consistent with these forward-looking statements.

Forward-looking statements are not guarantees of future performance. Any number of factors could contribute to differing results, including, among other things, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings and catastrophic events. This list of factors is not exhaustive. Investors should not place undue reliance on forward-looking information and should be aware that the Fund may not update any forward-looking statements, whether as a result of new information, future events or otherwise.

RELATED PARTY TRANSACTIONS

The Manager is an indirect wholly-owned subsidiary of Franklin Resources, Inc., a global investment management organization known as Franklin Templeton Investments. The Manager is the manager, registrar and transfer agent and a principal distributor of the Fund. The Manager provides or arranges for the provision of these services for day-to-day Fund operations, including the marketing, promotion and distribution of the Fund and portfolio advisory services. In consideration of these management and portfolio advisory services, the Fund pays the Manager a monthly management fee plus applicable taxes, based on the average net asset value of each series of the Fund (except Series O and OT, as applicable), calculated daily, as set out under Management Fees below. During the year ended December 31, 2017, the Fund paid management fees of \$6.2 million (2016—\$6.7 million), after management fee waivers of \$11,000 (2016—\$27,000).

Franklin Templeton Services, LLC (FTS) provides the Manager with fund accounting and portfolio valuation services in connection with the Fund, and provides certain back office administration services to the Manager. The Administration Fee, as discussed below, covers the cost of the services provided by FTS.

The Manager pays the operating expenses of the Fund, other than certain fund costs—which include, but are not limited to, the cost of compliance with new governmental and regulatory requirements, fees and expenses of the Fund's Independent Review Committee (IRC), borrowing and interest costs and investor meeting costs (as permitted by Canadian securities regulation)—in exchange for the payment by the Fund of an annual fixed-rate administration fee of 0.16% plus applicable taxes, applied against the average daily net assets of the Fund ("Administration Fee"), except for Series PF and PFT, which have an annual Administration Fee of 0.15%, and Series O and OT, which have no annual Administration Fee. The Manager will pay all operating expenses of Series O and OT, as applicable, as part of its agreement with each investor. The Manager may, at its discretion, waive a portion of a series' Administration Fee or absorb certain fund costs. During the year ended December 31, 2017, the Fund paid Administration Fees of \$565,000 (2016—\$593,000).

During the year ended December 31, 2017, the Manager waived fund costs of \$2,000 (2016—\$2,000).

Portfolio Advisor

Franklin Bissett Investment Management (the “Portfolio Advisor”), part of the Manager, provides investment analysis and recommendations and executes or arranges for brokers to execute portfolio transactions.

Principal Distributor

As a principal distributor of the Fund, the Manager markets the Fund and arranges for the sale of the Fund through dealers across Canada. The Manager may retain companies to assist in the sale of certain series of units of the Fund.

The Manager’s affiliate, FTC Investor Services Inc. (“FTC ISI”), also acts as a principal distributor for Series F, O, OT, FT, PF and PF (Hedged) units of the Fund, as applicable.

For acting as a principal distributor of the applicable series, FTC ISI receives an inter-company service fee of 0.20% of the assets under management of the applicable series from the Manager with respect to those series of units.

Registrar and Transfer Agent

In addition to management and portfolio advisory services, the Manager acts as the registrar and transfer agent of the Fund. These services are in the normal course of operations and are covered by the Administration Fee paid by the Fund to the Manager.

Standing Instructions from the Independent Review Committee

The Manager relied on standing instructions from the IRC with respect to the allocation of any operating expenses not covered by the Administration Fee. The Manager relied, or may rely, on standing instructions from the IRC in respect of securities trades amongst mutual funds, investment funds or managed accounts managed by the Manager or an affiliate of the Manager. In both cases, the standing instructions require the Manager to comply with the policies and procedures presented to the IRC with respect to the above matters and to provide periodic reports to the IRC in accordance with NI 81-107.

MANAGEMENT FEES

A portion of the management fee paid by the Fund to the Manager is for trail fees and sales commissions the Manager pays to dealers (“Dealer Compensation”). The trail fees are a percentage of the daily average net asset value of each series of the Fund, which is held by the dealer’s clients. The remaining portion of the management fee is used to pay for portfolio advisory and administrative services related to the provision of portfolio advisory services. The table below outlines the Fund’s annual management fee, as well as the portion of the management fee used to pay for Dealer Compensation and for portfolio advisory services as an approximate percentage of the management fee for each series:

Series	Management Fee (%)	Dealer Compensation (%)*	Investment management, investment management expenses, and other (%)
A	1.95	53.31	46.69
F**	0.95	–	100.00
I	1.45	51.76	48.24
PF	0.70	–	100.00
PFT	0.70	–	100.00
T	1.95	54.44	45.56

*Dealer compensation may include other fees related to distribution, which are not payable directly to dealers.

** Management Fee waiver is applied to the following series at the specified rates— Series F—0.06%;

The management and administration fees for Series O and OT are paid for by the unitholder directly to the Manager as follows:

- First C\$200,000 to under \$2.5 million—0.85%
- Next C\$2.5 million to under \$5 million—0.80%
- C\$5 million and over—0.70%

Certain institutional investors may negotiate the management and administration fees by written agreement with Franklin Templeton Investments.

MANAGEMENT REPORT OF FUND PERFORMANCE

Summary of Investment Portfolio (AS AT DECEMBER 31, 2017)

REGIONAL WEIGHTINGS (%)*

North America

99.11

SECTOR WEIGHTINGS (%)*

Financials

28.06

Energy

18.95

Utilities

7.62

Industrials

6.09

Consumer Staples

5.57

Telecommunication Services

4.87

Health Care

3.52

Real Estate

3.12

Consumer Discretionary

2.82

Information Technology

2.76

Materials

2.32

ASSET CLASS WEIGHTINGS (%)

Common Stocks

80.71

Canadian Corporate Bonds

11.59

Preferred Stocks

4.99

Foreign Corporate Bonds

1.38

Canadian Government Bonds

0.44

Short-term securities and all other assets, net

0.89

TOP 25 HOLDINGS (%)

Canadian Imperial Bank of Commerce

4.12

The Toronto-Dominion Bank

4.02

Royal Bank of Canada

3.90

Bank of Montreal

2.94

Bank of Nova Scotia

2.83

Canadian National Railway Co.

2.68

IGM Financial Inc.

2.55

Power Financial Corp.

2.30

Enbridge Income Fund Holdings Inc.

2.20

Enbridge Inc.

2.05

Inter Pipeline Ltd.

2.05

Brookfield Renewable Partners LP

1.93

Rogers Communications Inc., B

1.92

TELUS Corp.

1.82

Fortis Inc.

1.72

Brookfield Property Partners LP

1.61

Brookfield Infrastructure Partners LP

1.58

Freehold Royalties Ltd.

1.42

McDonald's Corp.

1.42

Restaurant Brands International Inc.

1.40

Microsoft Corp.

1.39

Intel Corp.

1.37

Vermilion Energy Inc.

1.36

JPMorgan Chase & Co.

1.32

Wells Fargo & Co.

1.32

TOTAL NET ASSET VALUE: \$693,106,000

* Excluding short-term securities and all other assets, net.

Above is an outline of the investments held in the Fund as a percentage of the Fund's net assets. Due to ongoing portfolio transactions, the investments and percentages may have changed by the time you purchase units of the Fund. The top 25 holdings are made available quarterly, 60 days after the quarter-end. To obtain a copy, please contact a member of our client services team at 1.800.387.0830 or visit www.franklintempleton.ca.

FRANKLIN BISSETT DIVIDEND INCOME FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series A (AS AT DECEMBER 31, 2017)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2017	2016	2015	2014	2013
Net assets – beginning of period	\$28.59	\$24.96	\$29.08	\$30.39	\$27.71†
Increase (decrease) from operations:					
Total revenue	1.10	1.08	1.18	1.27	1.23
Total expenses	(0.67)	(0.61)	(0.65)	(0.72)	(0.70)
Realized gains (losses) for the period	0.68	(0.55)	1.66	2.36	2.08
Unrealized gains (losses) for the period	(0.15)	4.47	(4.30)	(1.57)	1.56
Total increase (decrease) from operations (2)	0.96	4.39	(2.11)	1.34	4.17
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	(0.82)	(0.86)	(0.84)	(0.87)	(0.74)
From capital gains	–	–	(1.10)	(1.75)	(0.76)
Returns of capital	–	–	–	–	–
Total annual distributions (3)	(0.82)	(0.86)	(1.94)	(2.62)	(1.50)
Net assets – end of period	\$28.75	\$28.59	\$24.96	\$29.08	\$30.39
Ratios and supplemental data:	2017	2016	2015	2014	2013
Total net asset value (\$ millions) (1)	\$237.19	\$271.51	\$281.92	\$388.45	\$396.13
Number of units outstanding	8,250,507	9,497,222	11,294,414	13,358,770	13,035,886
Management expense ratio (2)	2.32%	2.32%	2.32%	2.32%	2.39%
Management expense ratio before waivers or absorptions	2.32%	2.32%	2.32%	2.32%	2.73%
Trading expense ratio (3)	0.03%	0.03%	0.05%	0.05%	0.06%
Portfolio turnover rate (4)	16.92%	9.51%	32.24%	27.76%	28.30%
Net asset value per unit	\$28.75	\$28.59	\$24.96	\$29.08	\$30.39

For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

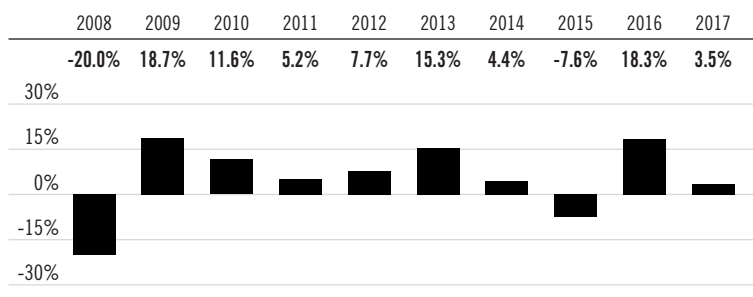
† The opening net assets have been adjusted in accordance with IFRS. Information pertaining to 2013 was derived from the audited annual financial statements prepared under Canadian GAAP.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2017. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series A Units	3.5%	4.2%	6.4%	5.0%	5.8%
Custom Franklin Bissett Dividend Income Benchmark	9.4%	7.4%	10.0%	6.1%	5.9%
S&P/TSX Composite TR Index	9.1%	6.6%	8.6%	4.6%	6.1%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

FRANKLIN BISSETT DIVIDEND INCOME FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series F (AS AT DECEMBER 31, 2017)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2017	2016	2015	2014	2013
Net assets – beginning of period	\$34.67	\$29.92	\$34.44	\$35.57	\$32.03[†]
Increase (decrease) from operations:					
Total revenue	1.35	1.27	1.40	1.50	1.43
Total expenses	(0.40)	(0.36)	(0.38)	(0.42)	(0.39)
Realized gains (losses) for the period	0.88	(0.71)	1.98	2.79	2.41
Unrealized gains (losses) for the period	(0.19)	5.51	(5.21)	(1.93)	1.79
Total increase (decrease) from operations (2)	1.64	5.71	(2.21)	1.94	5.24
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	(1.00)	(1.04)	(1.01)	(1.02)	(0.87)
From capital gains	–	–	(1.32)	(2.08)	(0.89)
Returns of capital	–	–	–	–	–
Total annual distributions (3)	(1.00)	(1.04)	(2.33)	(3.10)	(1.76)
Net assets – end of period	\$35.29	\$34.67	\$29.92	\$34.44	\$35.57
Ratios and supplemental data:	2017	2016	2015	2014	2013
Total net asset value (\$ millions) (1)	\$17.11	\$17.46	\$41.41	\$52.79	\$45.34
Number of units outstanding	484,703	503,557	1,384,309	1,532,755	1,274,765
Management expense ratio (2)	1.14%	1.14%	1.14%	1.14%	1.15%
Management expense ratio before waivers or absorptions	1.14%	1.14%	1.14%	1.14%	1.34%
Trading expense ratio (3)	0.03%	0.03%	0.05%	0.05%	0.06%
Portfolio turnover rate (4)	16.92%	9.51%	32.24%	27.76%	28.30%
Net asset value per unit	\$35.29	\$34.67	\$29.92	\$34.44	\$35.57

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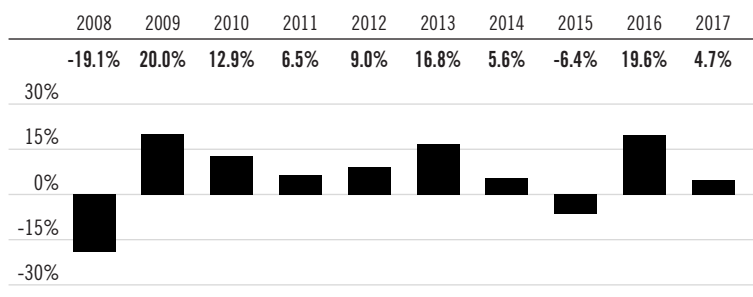
[†] The opening net assets have been adjusted in accordance with IFRS. Information pertaining to 2013 was derived from the audited annual financial statements prepared under Canadian GAAP.

PAST PERFORMANCE

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Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2017. The returns are compared against the benchmark(s) over the same period.[‡]

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series F Units	4.7%	5.4%	7.7%	6.3%	8.3%
Custom Franklin Bissett Dividend Income Benchmark	9.4%	7.4%	10.0%	6.1%	8.7%
S&P/TSX Composite TR Index	9.1%	6.6%	8.6%	4.6%	8.3%

[‡] For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

FRANKLIN BISSETT DIVIDEND INCOME FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series I (AS AT DECEMBER 31, 2017)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2017	2016	2015	2014	2013
Net assets – beginning of period	\$31.65	\$27.48	\$31.84	\$33.10	\$30.02†
Increase (decrease) from operations:					
Total revenue	1.22	1.21	1.30	1.43	1.37
Total expenses	(0.56)	(0.52)	(0.55)	(0.62)	(0.60)
Realized gains (losses) for the period	0.73	(0.59)	1.79	2.56	2.44
Unrealized gains (losses) for the period	(0.13)	5.11	(4.84)	(2.15)	1.77
Total increase (decrease) from operations (2)	1.26	5.21	(2.30)	1.22	4.98
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	(0.91)	(0.95)	(0.93)	(0.95)	(0.81)
From capital gains	–	–	(1.21)	(1.92)	(0.82)
Returns of capital	–	–	–	–	–
Total annual distributions (3)	(0.91)	(0.95)	(2.14)	(2.87)	(1.63)
Net assets – end of period	\$32.00	\$31.65	\$27.48	\$31.84	\$33.10
Ratios and supplemental data:	2017	2016	2015	2014	2013
Total net asset value (\$ millions) (1)	\$10.01	\$11.54	\$8.56	\$8.70	\$3.48
Number of units outstanding	312,896	364,544	311,446	273,154	105,059
Management expense ratio (2)	1.77%	1.78%	1.78%	1.81%	1.87%
Management expense ratio before waivers or absorptions	1.77%	1.78%	1.78%	1.81%	1.94%
Trading expense ratio (3)	0.03%	0.03%	0.05%	0.05%	0.06%
Portfolio turnover rate (4)	16.92%	9.51%	32.24%	27.76%	28.30%
Net asset value per unit	\$32.00	\$31.65	\$27.48	\$31.84	\$33.10

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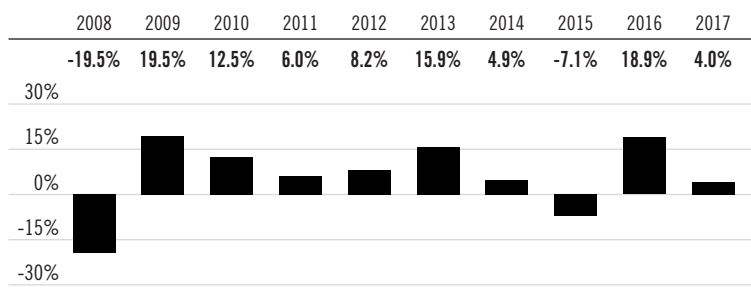
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S&P/TSX Composite TR Index	9.1%	6.6%	8.6%	4.6%	6.1%

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FRANKLIN BISSETT DIVIDEND INCOME FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series 0 (AS AT DECEMBER 31, 2017)

FINANCIAL HIGHLIGHTS

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Net assets per unit (1)	2017	2016	2015	2014	2013
Net assets – beginning of period	\$42.54	\$36.29	\$41.31	\$42.18	\$37.55[†]
Increase (decrease) from operations:					
Total revenue	1.66	1.59	1.71	1.79	1.68
Total expenses	–	–	–	–	–
Realized gains (losses) for the period	1.07	(0.81)	2.36	3.31	2.89
Unrealized gains (losses) for the period	(0.29)	6.62	(6.35)	(2.30)	2.20
Total increase (decrease) from operations (2)	2.44	7.40	(2.28)	2.80	6.77
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	(1.24)	(1.27)	(1.21)	(1.22)	(1.02)
From capital gains	–	–	(1.60)	(2.49)	(1.05)
Returns of capital	–	–	–	–	–
Total annual distributions (3)	(1.24)	(1.27)	(2.81)	(3.71)	(2.07)
Net assets – end of period	\$43.78	\$42.54	\$36.29	\$41.31	\$42.18
Ratios and supplemental data:	2017	2016	2015	2014	2013
Total net asset value (\$ millions) (1)	\$385.61	\$386.53	\$361.83	\$347.05	\$305.02
Number of units outstanding	8,807,157	9,086,161	9,969,933	8,401,730	7,231,857
Management expense ratio (2)	–	–	–	–	–
Management expense ratio before waivers or absorptions	–	–	–	–	0.10%
Trading expense ratio (3)	0.03%	0.03%	0.05%	0.05%	0.06%
Portfolio turnover rate (4)	16.92%	9.51%	32.24%	27.76%	28.30%
Net asset value per unit	\$43.78	\$42.54	\$36.29	\$41.31	\$42.18

For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

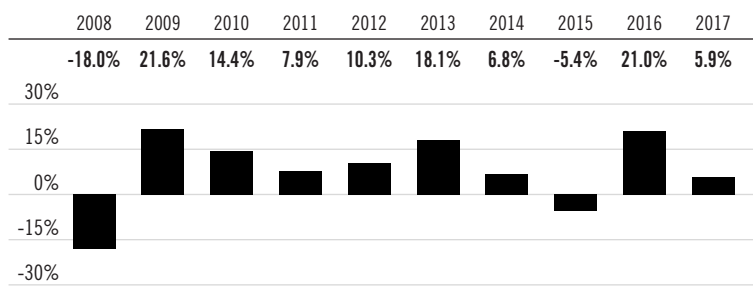
[†] The opening net assets have been adjusted in accordance with IFRS. Information pertaining to 2013 was derived from the audited annual financial statements prepared under Canadian GAAP.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2017. The returns are compared against the benchmark(s) over the same period.[‡]

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series 0 Units	5.9%	6.6%	8.9%	7.6%	8.5%
Custom Franklin Bissett Dividend Income Benchmark	9.4%	7.4%	10.0%	6.1%	5.9%
S&P/TSX Composite TR Index	9.1%	6.6%	8.6%	4.6%	6.1%

[‡] For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

FRANKLIN BISSETT DIVIDEND INCOME FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
 Series OT (AS AT DECEMBER 31, 2017)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2017
Net assets – initial offering price*	\$15.00
Increase (decrease) from operations:	
Total revenue	0.56
Total expenses	–
Realized gains (losses) for the period	0.43
Unrealized gains (losses) for the period	(0.44)
Total increase (decrease) from operations (2)	0.55
Distributions:	
From income (excluding dividends)	–
From dividends	(0.37)
From capital gains	–
Returns of capital	(0.73)
Total annual distributions (3)	(1.10)
Net assets – end of period	\$14.64
Ratios and supplemental data:	2017
Total net asset value (\$ millions) (1)	\$0.12
Number of units outstanding	8,494
Management expense ratio (2)	–
Management expense ratio before waivers or absorptions	–
Trading expense ratio (3)	0.03%
Portfolio turnover rate (4)	16.92%
Net asset value per unit	\$14.64

For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

*The Series was launched on February 3, 2017 and was made available for sale on that date.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017*
										5.1%
30%										
15%										
0%										
-15%										
-30%										

*2017 Series OT return: February 3 to December 31, 2017

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2017. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series OT Units	N/A	N/A	N/A	N/A	5.1%
Custom Franklin Bissett Dividend Income Benchmark	N/A	N/A	N/A	N/A	8.3%
S&P/TSX Composite TR Index	N/A	N/A	N/A	N/A	7.5%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

FRANKLIN BISSETT DIVIDEND INCOME FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
 Series PF (AS AT DECEMBER 31, 2017)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2017	2016
Net assets – beginning of period	\$10.49	\$10.00
Increase (decrease) from operations:		
Total revenue	0.41	0.18
Total expenses	(0.10)	(0.03)
Realized gains (losses) for the period	0.27	0.03
Unrealized gains (losses) for the period	(0.10)	0.30
Total increase (decrease) from operations (2)	0.48	0.48
Distributions:		
From income (excluding dividends)	–	–
From dividends	(0.30)	(0.10)
From capital gains	–	–
Returns of capital	–	–
Total annual distributions (3)	(0.30)	(0.10)
Net assets – end of period	\$10.69	\$10.49
Ratios and supplemental data:	2017	2016
Total net asset value (\$ millions) (1)	\$31.63	\$28.50
Number of units outstanding	2,957,727	2,718,230
Management expense ratio (2)	0.92%	0.96%
Management expense ratio before waivers or absorptions	0.92%	0.96%
Trading expense ratio (3)	0.03%	0.03%
Portfolio turnover rate (4)	16.92%	9.51%
Net asset value per unit	\$10.69	\$10.49

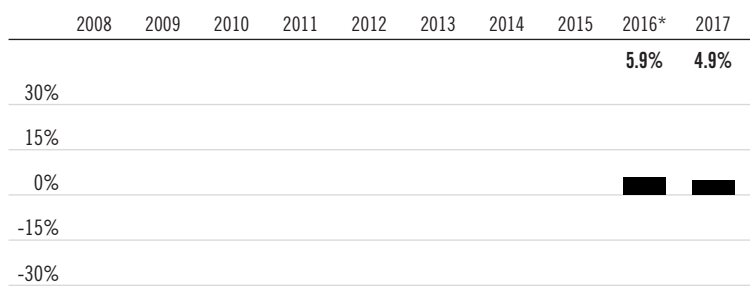
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



*2016 Series PF return: October 3 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2017. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series PF Units	4.9%	N/A	N/A	N/A	8.8%
Custom Franklin Bissett Dividend Income Benchmark	9.4%	N/A	N/A	N/A	10.9%
S&P/TSX Composite TR Index	9.1%	N/A	N/A	N/A	11.4%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

FRANKLIN BISSETT DIVIDEND INCOME FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
 Series PFT (AS AT DECEMBER 31, 2017)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2017	2016
Net assets – beginning of period	\$15.56	\$15.00
Increase (decrease) from operations:		
Total revenue	0.62	0.15
Total expenses	(0.14)	(0.04)
Realized gains (losses) for the period	0.65	(0.04)
Unrealized gains (losses) for the period	(0.24)	1.04
Total increase (decrease) from operations (2)	0.89	1.11
Distributions:		
From income (excluding dividends)	–	–
From dividends	(0.44)	(0.03)
From capital gains	–	–
Returns of capital	(0.90)	(0.17)
Total annual distributions (3)	(1.34)	(0.20)
Net assets – end of period	\$14.96	\$15.56
Ratios and supplemental data:	2017	2016
Total net asset value (\$ millions) (1)	\$0.20	\$0.04
Number of units outstanding	13,038	2,467
Management expense ratio (2)	0.90%	0.96%
Management expense ratio before waivers or absorptions	0.90%	0.96%
Trading expense ratio (3)	0.03%	0.03%
Portfolio turnover rate (4)	16.92%	9.51%
Net asset value per unit	\$14.96	\$15.56

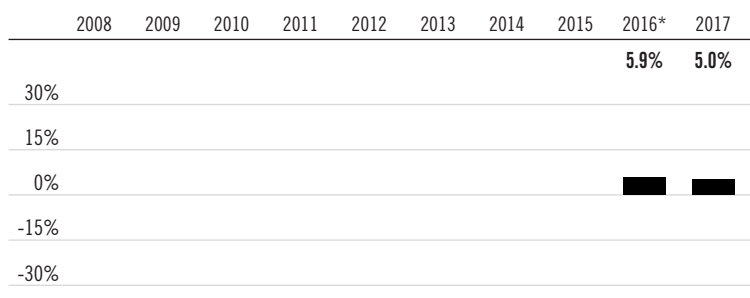
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



*2016 Series PFT return: October 3 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2017. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series PFT Units	5.0%	N/A	N/A	N/A	8.9%
Custom Franklin Bissett Dividend Income Benchmark	9.4%	N/A	N/A	N/A	10.9%
S&P/TSX Composite TR Index	9.1%	N/A	N/A	N/A	11.4%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

FRANKLIN BISSETT DIVIDEND INCOME FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series T (AS AT DECEMBER 31, 2017)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2017	2016	2015	2014	2013
Net assets – beginning of period	\$8.48	\$7.80	\$9.69	\$10.75	\$10.36[†]
Increase (decrease) from operations:					
Total revenue	0.32	0.33	0.38	0.44	0.45
Total expenses	(0.19)	(0.19)	(0.21)	(0.25)	(0.25)
Realized gains (losses) for the period	0.18	(0.17)	0.54	0.82	0.76
Unrealized gains (losses) for the period	(0.03)	1.36	(1.38)	(0.53)	0.57
Total increase (decrease) from operations (2)	0.28	1.33	(0.67)	0.48	1.53
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	(0.24)	(0.26)	(0.27)	(0.30)	(0.27)
From capital gains	–	–	(0.35)	(0.59)	(0.27)
Returns of capital	(0.49)	(0.43)	(0.57)	(0.64)	(0.60)
Total annual distributions (3)	(0.73)	(0.69)	(1.19)	(1.53)	(1.14)
Net assets – end of period	\$8.03	\$8.48	\$7.80	\$9.69	\$10.75
Ratios and supplemental data:	2017	2016	2015	2014	2013
Total net asset value (\$ millions) (1)	\$11.24	\$14.33	\$16.26	\$25.70	\$27.27
Number of units outstanding	1,400,380	1,689,848	2,083,157	2,653,160	2,537,075
Management expense ratio (2)	2.32%	2.31%	2.31%	2.30%	2.37%
Management expense ratio before waivers or absorptions	2.32%	2.31%	2.31%	2.30%	2.62%
Trading expense ratio (3)	0.03%	0.03%	0.05%	0.05%	0.06%
Portfolio turnover rate (4)	16.92%	9.51%	32.24%	27.76%	28.30%
Net asset value per unit	\$8.03	\$8.48	\$7.80	\$9.69	\$10.75

For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

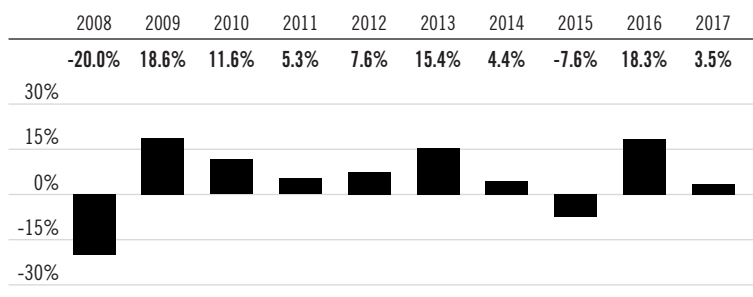
[†] The opening net assets have been adjusted in accordance with IFRS. Information pertaining to 2013 was derived from the audited annual financial statements prepared under Canadian GAAP.

PAST PERFORMANCE

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Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2017. The returns are compared against the benchmark(s) over the same period.[‡]

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series T Units	3.5%	4.2%	6.4%	5.0%	5.5%
Custom Franklin Bissett Dividend Income Benchmark	9.4%	7.4%	10.0%	6.1%	7.4%
S&P/TSX Composite TR Index	9.1%	6.6%	8.6%	4.6%	8.0%

[‡] For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

NOTES TO FINANCIAL HIGHLIGHTS

Net Assets per Unit:

- (1) This information is derived from the Fund's audited annual financial statements. In the period a fund or series is established, the financial information is provided from the date of inception to the end of the period. In cases where the net assets per unit presented in the financial statements differ from the net asset value calculated for Fund pricing purposes, an explanation of these differences can be found in the notes to the financial statements.
- (2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease in net assets from operations is based on the weighted average number of units outstanding over the fiscal period. This table is not intended to be a reconciliation of opening and closing net assets per unit.
- (3) Distributions were paid in cash or reinvested in additional units of the Fund or both, and exclude distributions of management fee reductions to unitholders.

Ratios and Supplemental Data:

- (1) This information is provided as at the period-end of the year shown.
- (2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of net asset value during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling each security in its portfolio once in the course of the relevant period. The higher the portfolio turnover rate in the period, the greater the trading costs payable by the Fund and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

OTHER FUND INFORMATION

Reported year-by-year returns for past years may be revised, based on the results of recalculations, audits and/or other historical review processes. Such revisions are considered immaterial to performance disclosure unless otherwise stated.

Series I and V, as applicable, are presently capped (closed to new investors). Investors who currently own units of Series I and Series V may continue to purchase additional units in those series. These series may become available for purchase by new investors at the discretion of the Manager.

BENCHMARK(S) INFORMATION

Custom Franklin Bissett Dividend Income Benchmark from June 30, 2012, to present comprises the S&P/TSX Composite TR Index (60%), FTSE TMX Canada Universe Bond TR Index (15%), S&P 500 TR Index (20%) and S&P/TSX Preferred Share TR Index (5%). Previous to June 30, 2012, the Benchmark was made up of the S&P/TSX Composite TR Index (45%), DEX Universe Bond TR Index (10%), S&P 500 TR Index (25%) and Nesbitt Burns Preferred Share TR Index (20%). For historical performance periods predating July 19, 2002, the preferred shares allocation of the Benchmark is represented by the Nesbitt Burns Preferred Share TR Index.

S&P/TSX Composite TR Index measures the total return (dividends are reinvested) of the 300 largest Canadian companies, in terms of three-year average quoted market value, listed on the TSX. The S&P/TSX Composite Index was formerly called The Toronto Stock Exchange 300 Total Return Index (TSE 300).