

Performance Review

- During October, all 11 GICS sectors of the S&P/TSX Composite Index TRI posted negative returns with the headline-grabbing cannabis-related equities (Canadian federal legalization occurred on October 17th) leading the health care sector to the worst performance (-17.6%) amongst all sectors for the month.
- For the month, the fund's Series F shares returned -5.69%, and its benchmark, the S&P/TSX Composite Index, returned -6.27%.

ONE-MONTH KEY PERFORMANCE DRIVERS

	Stocks	Sectors
HELPED	Rogers Communications Inc. Class B	Health Care (Lack of Exposure)
	Fortis Inc.	Energy (Stock Selection)
	Metro Inc.	Communication Services (Overweight)
HURT	Vermilion Energy Inc.	Financials (Stock Selection)
	ARC Resources Ltd.	Materials (Underweight)
	AltaGas Ltd.	-

- Security selection in the fund's US and Canadian equities drove above-benchmark performance.

Outlook & Strategy

- While the origin of this recent global risk-off environment may be debatable, we believe equity market excesses driven by investor exuberance regarding momentum and potential for specific equities, rather than more deeply rooted fundamentals and valuation, clearly have been evident. Ultimately, equity market returns not rooted in the fundamental progress of the underlying business are generally not sustainable.
- Franklin Bissett's "growth at a reasonable price" investment style is strictly a fundamental bottom-up approach, consistent with what we believe is the true meaning of growth: long-term sustainable profits. We target what we view as high-quality businesses with the potential for long-term secular and profitable growth, carefully evaluating company business models for durability, competitive advantages and financial stability.

Fund Details

Inception Date	12/22/2003
Benchmark	S&P/TSX Composite Index

Fund Description

The fund seeks long-term capital appreciation by investing primarily in dividend-paying or income-producing Canadian securities, including common shares, income trust units and preferred shares. Portfolio managers look for quality companies at reasonable prices that have a proven ability to deliver a consistent and growing level of dividends over time.

Performance Data

Performance (%) as of 10/31/2018

	1 Month	3 Mths	YTD	1 Yr	Since Inception
Series A	-5.78	-7.61	-7.45	-7.81	4.11
Series F	-5.69	-7.34	-6.54	-6.77	5.28
S&P/TSX Composite Index	-6.27	-7.87	-5.00	-3.41	6.50

Indicated rates of return include changes in unit or share value and reinvestment of all distributions and dividends and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Please refer to the prospectus for further details. **For details on the respective series inception dates, please consult the Fund Facts or simplified prospectus for the fund.** Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. **Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.**

Investment Team

Les Stelmach, CFA
Years with Firm 12
Years Experience 19

Ryan Crowther, CFA
Years with Firm 10
Years Experience 16

Important Legal Information

The information presented is considered reliable at the present time; however, we do not represent that it is accurate or complete, or that it should be relied upon as such. Speculation or stated beliefs about future events, such as market or economic conditions, company or security performance, upcoming product offerings or other projections represent the beliefs of the speaker and do not necessarily represent the views of Franklin Templeton Investments Corp. General business, market, economic and political conditions could cause actual results to differ materially. The information presented is not a recommendation or solicitation to buy or sell securities.

Series F is available to investors participating in programs that do not require Franklin Templeton to incur distribution costs in the form of trailing commissions to dealers. As a consequence, the management fee on Series F is lower than on Series A.

Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

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