



Franklin Bissett Core Plus Bond Fund

Canadian Fixed Income

December 31, 2018

Franklin Bissett

Fund Overview⁵

Total Net Assets	\$1,692,332,832 ¹
Inception Date	Series A: 11/24/2000 Series F: 08/01/1986
Number of Holdings	404
Morningstar Category™	Canadian Fixed Income
Benchmark	FTSE Canada Universe Bond Index

Investment Objective & Strategy

High current income and some long-term capital appreciation by investing primarily in Canadian federal and provincial government and corporate bonds, debentures and short-term notes. The fund maintains an overweighted position in high-quality corporate and provincial issues, and an underweighted position in Canadian federal bonds. The fund may invest in foreign securities.

Fund Management

Darcy Briggs	25 Years, Calgary, AB Canada
Thomas O'Gorman	29 Years, Calgary, AB Canada

Risk Classification

Low	Low to Medium	Medium	Medium to High	High
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Asset Allocation (% Market Value)⁶

Corporate Bonds	56.15
Provincial Bonds	21.49
Federal Bonds	11.29
Bank Loans	7.21
Municipal Bonds	2.65
Cash & Cash Equivalents	1.21

Fund Codes

	Fund		Corp Class	
	CDN\$	US\$	CDN\$	US\$
Series A Front	TML200			
Series A DSC	TML300			
Series A Low Load	TML515			
Series F	TML230			
Series F ADM	TML3993			
Series I (Closed to new investors)	TML280			
Series O	TML110			
Series PA Front	TML5283			
Series PA DSC	TML5285			
Series PA Low Load	TML5284			
Series PF	TML3815			
Series PF ADM	TML5061			

¹ Inclusive of trust and corporate class versions where applicable.

² Please see detailed definitions on the last page.

³ The fund may also pay capital gains in December if required.

⁴ Sources: S&P and Moody's. Cash includes equivalents, which may be rated.

⁵ Figures shown for Yield to Maturity, Weighted Average Maturity, Duration, Duration to Worst and Yield to Worst reflect certain derivatives held in the portfolio (or their underlying reference assets).

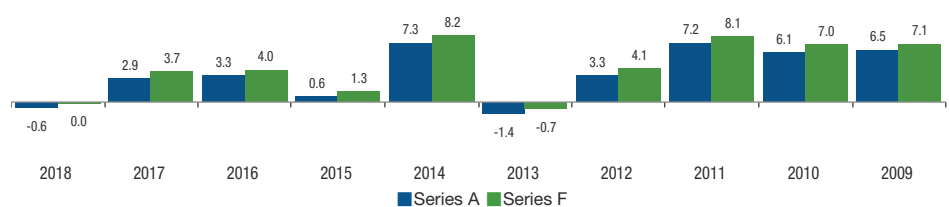
⁶ Market value figures reflect the trading value of the investments, may not total 100% and may be negative due to rounding, use of any derivatives, unsettled trades or other factors.

REASONS TO INVEST IN THIS FUND:

- **An experienced bond investor.** With nearly 30 years of fixed income experience, this fund is ideal for investors seeking a wealth of successful bond investment expertise.
- **Lower portfolio risk.** Adding bonds to a portfolio can lower volatility by providing added stability and a regular stream of income, which is reassuring in any market environment.
- **"Core Plus" Investing.** The fund's primary investment focus is on core bonds issued in Canada with the potential for enhanced returns through global diversification.

Performance

Calendar Year Returns in Canadian Dollars (%)



Compounded Returns in Canadian Dollars (%)

	YTD	1 Mo	3 Mo	6 Mo	1 Year	3 Years	5 Years	10 years	Since Inc [^]
Series A	-0.60	0.84	0.16	-0.71	-0.60	1.86	2.67	3.47	4.04
Series F [†]	0.00	0.89	0.30	-0.37	0.00	2.55	3.40	4.23	6.53

[^] Series inception date

[†] 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.

Top Holdings (% of Total)

U.S. Treasury Bond, 3.00%, 8/15/48	2.06
Province of Manitoba, 4.60%, 3/05/38	2.06
Province of Alberta, 2.20%, 6/01/26	1.67
Province of Ontario, 5.60%, 6/02/35	1.55
Province of New Brunswick, 4.55%, 3/26/37	1.33
PSP Capital Inc., Senior Note, Reg S, 3.00%, 11/05/25	1.17
Government of Canada, 4.00%, 6/01/41	1.14
Canada Housing Trust, Second Lien, 144A, 1.90%, 9/15/26	1.14
Ontario Electricity Financial Corporation, Strip, 4/11/31	1.13
CPPIB Capital Inc., Senior Note, Reg S, 3.00%, 6/15/28	1.10

Fund Facts⁵

Price per Unit (Series A)	\$11.44
Yield to Maturity ²	4.28%
Average Weighted Maturity	12.5 Years
Average Duration	7.2 Years
Duration to Worst	7.4 Years
Portfolio Turnover Rate (06/30/2018)	69.47%
MER (06/30/2018 incl. HST)	A: 1.47% F: 0.80%
Yield to Worst ²	4.14%
Distributions	Interest income paid monthly ³

Composition of Fund

Top Country Weightings (% Market Value)⁶

Canada	70.36
United States	25.43
Australia	1.31
Netherlands	0.96
United Kingdom	0.65
Bermuda	0.26
Germany	0.21
Mexico	0.18
Others	-0.11
Cash & Cash Equivalents	0.75

Bond Ratings (% Market Value)^{4,6}

AAA	13.87	B	2.96
AA	17.02	CCC	0.39
A	31.02	CC	0.27
BBB	27.07	NR	0.32
BB	6.32	Cash & Cash Equivalents	0.75

Series A Distribution History

Date	Price	Distr.	Date	Price	Distr.
01/31/2018	\$11.91	\$0.03	07/31/2018	\$11.72	\$0.03
02/28/2018	\$11.88	\$0.03	08/31/2018	\$11.78	\$0.03
03/29/2018	\$11.91	\$0.04	09/28/2018	\$11.64	\$0.04
04/30/2018	\$11.78	\$0.03	10/31/2018	\$11.51	\$0.03
05/31/2018	\$11.84	\$0.03	11/30/2018	\$11.49	\$0.03
06/29/2018	\$11.84	\$0.04	12/20/2018	\$11.46	\$0.16

Disclaimers

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus or fund facts document before investing. The indicated rates of return are historical annual compounded total returns including changes in unit value and reinvestment of all distributions 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. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The portfolio manager for a Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top 10 holdings list. Series T distributions are automatically reinvested unless otherwise requested. Series T may also pay a distribution that must be reinvested in December, consisting of income and capital gains. Please indicate your preference to receive cash flow immediately on the application form. Fund AUM reported may include fund-on-fund holdings, and assets are therefore reflected in both the top fund and underlying fund AUM. The 'Supranational' geographic designation refers to international financial institutions whereby member states transcend national boundaries and issue debt securities on behalf of the group as a whole.

Beginning in October 2016, investors switching between Corporate Class funds may trigger a capital gain or loss at the time of the switch due to certain changes in the federal government's 2016 budget proposal.

Ratings without cash, Market Value or Notional Exposure: Ratings shown are assigned by one or more Nationally Recognized Statistical Rating Organizations ('NRSRO'), such as Standard & Poor's, Moody's and Fitch. The ratings are an indication of an issuer's creditworthiness and typically range from AAA or Aaa (highest) to D (lowest). When ratings from all three agencies are available, the middle rating is used; when two are available, the lowest rating is used; and when only one is available, that rating is used. Foreign government bonds without a specific rating are assigned the country rating provided by an NRSRO, if available. The NR category consists of ratable securities that have not been rated by an NRSRO. The N/A category consists of nonratable securities (e.g., equities). Cash and equivalents are excluded from this breakdown.

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Glossary

Dividend Yield of a stock is the total amount of dividend per share paid over the previous 12 months, divided by its current price. The dividend yield of a mutual fund is the market-weighted average of the dividend yields of all the stocks in the portfolio. This measure is gross of fees.

Weighted Yield (Internal Yield) is a blended measure used for balanced funds, the internal yield is the market-weighted average of the Yield to Maturity of the fund's fixed income component and the Dividend Yield of the fund's equity component. This measure is gross of fees.

Yield to Maturity (YTM) is a long-term yield expressed as an annual rate. A bond's YTM is the rate of return anticipated if one assumes the bond is held until its maturity date and all the coupons paid by the bond are reinvested at the same rate of return as the coupons. The calculation takes into account the current market price, par value, coupon interest rate and time to maturity. The YTM of a bond fund is the market-weighted average of the YTM's of all the bonds in the portfolio.

Yield to Worst (YTW) of a bond is the yield to maturity if the worst possible bond repayment takes place. If market yields are higher than the coupon, the YTW would assume no prepayment. If market yields are below the coupon, the YTW would assume prepayment. The YTW of a fund is the market-weighted average of the YTW's of all the bonds in the portfolio. This measure is gross of fees and excludes yield on cash.



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