



# Franklin Bissett Dividend Income Fund

Canadian Balanced

December 31, 2018

Franklin Bissett

## Fund Overview

Total Net Assets	\$564,637,967 <sup>1</sup>
Inception Date	Series A: 11/24/2000 Series F: 05/31/1988
Number of Holdings	115
Morningstar Category™	Canadian Equity Balanced
Benchmark	Custom Franklin Bissett Dividend Income Benchmark <sup>2</sup>

## Investment Objective & Strategy

High current income by investing primarily in Canadian and American dividend-paying preferred and common stocks and, from time to time, bonds up to a maximum of 25% of the fund's total assets. The fund may invest in foreign equity or fixed-income securities.

## Fund Management

Les Stelmach	20 Years, Calgary, AB Canada
Ryan Crowther	17 Years, Calgary, AB Canada

## Risk Classification

Low	<b>Low to Medium</b>	Medium	Medium to High	High
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## Asset Allocation (% Market Value)<sup>5</sup>

Canadian Equity	59.83
U.S. Equity	20.48
Fixed Income	13.96
Preferred Stocks	4.62
Cash & Cash Equivalents	1.12

## Fund Codes

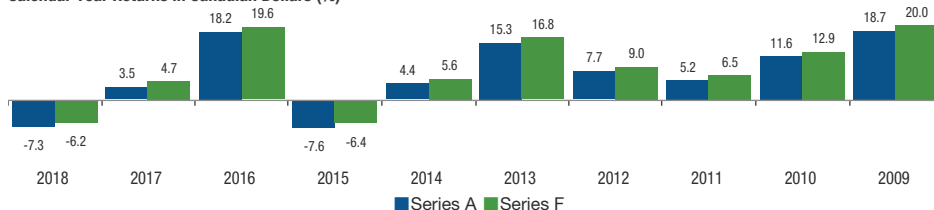
	Fund		Corp Class	
	CDN\$	US\$	CDN\$	US\$
Series A Front	TML203		TML3559	
Series A DSC	TML303		TML3561	
Series A Low Load	TML519		TML3560	
Series F	TML233		TML3562	
Series F ADM	TML3995		TML5157	
Series I (Closed to new investors)	TML283		TML3563	
Series O	TML113		TML3564	
Series OT	TML3950			
Series PA Front	TML5295		TML5289	
Series PA DSC	TML5297		TML5291	
Series PA Low Load	TML5296		TML5290	
Series PF	TML3890		TML3735	
Series PF ADM	TML5063		TML5194	
Series PFT	TML3891			
Series PFT ADM	TML5119			
Series PT Front	TML5298		TML5292	
Series PT DSC	TML5300		TML5294	
Series PT Low Load	TML5299		TML5293	
Series T Front	TML294		TML3565	
Series T DSC	TML295		TML3567	
Series T Low Load	TML520		TML3566	

## REASONS TO INVEST IN THIS FUND:

- **Focus on dividend-paying equities.** The fund provides a stream of consistent returns, which is attractive, especially during times of market uncertainty.
- **Capital appreciation potential.** By investing primarily in dividend-paying equities with a higher percentage of common shares than preferred shares, the fund provides capital appreciation potential and consistent dividends over time.

## 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 <sup>^</sup>
Series A	-7.31	-4.99	-7.35	-6.29	-7.31	4.28	1.82	6.59	5.05
Series F <sup>†</sup>	-6.21	-4.89	-7.08	-5.73	-6.21	5.52	3.03	7.87	7.77

<sup>^</sup> Series inception date

<sup>†</sup> 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 (% Market Value)<sup>5</sup>

Royal Bank of Canada	3.80
Canadian Imperial Bank of Commerce	3.13
Canadian National Railway Company	3.00
Toronto-Dominion Bank	2.82
Enbridge, Inc.	2.54
Bank of Nova Scotia	2.44
Rogers Communications Inc. Class B	2.41
Bank of Montreal	2.35
Canadian Utilities Limited Class A	2.00
TELUS Corporation	1.98

## Fund Facts

Price per Unit (Series A)	\$25.49
Yield to Maturity <sup>3</sup>	4.29%
Average Weighted Maturity	7.9 Years
Average Duration	5.7 Years
Duration to Worst	5.7 Years
Portfolio Turnover Rate (06/30/2018)	10.07%
MER (06/30/2018 incl. HST)	A: 2.32% F: 1.15%
Yield to Worst <sup>3</sup>	4.14%
Distributions	Income paid monthly <sup>4</sup>

## Composition of Fund

### Top Country Weightings (% Market Value)<sup>5</sup>

Canada	74.47
United States	25.53

### Series A Distribution History

Date	Price	Distr.	Date	Price	Distr.
01/31/2018	\$28.23	\$0.06	07/31/2018	\$28.57	\$0.06
02/28/2018	\$27.41	\$0.06	08/31/2018	\$28.50	\$0.06
03/29/2018	\$27.20	\$0.07	09/28/2018	\$28.23	\$0.07
04/30/2018	\$27.29	\$0.06	10/31/2018	\$27.16	\$0.06
05/31/2018	\$27.70	\$0.06	11/30/2018	\$27.41	\$0.06
06/29/2018	\$28.08	\$0.07	12/20/2018	\$25.15	\$0.55

### Top Sector Weightings (% of Canadian Equity)

Financials	40.29
Energy	15.13
Utilities	12.63
Communication Services	8.93
Industrials	6.17
Materials	5.18
Real Estate	4.78
Consumer Staples	4.59
Consumer Discretionary	2.31

<sup>1</sup> Inclusive of trust and corporate class versions where applicable.

<sup>2</sup> Custom Franklin Bissett Dividend Income Benchmark is a blended index composed of S&P/TSX Composite TR Index (60%), FTSE Canada Universe Bond Index (15%), S&P 500 TR Index (20%) and S&P/TSX Preferred Share TR Index (5%).

<sup>3</sup> Please see detailed definitions on the last page.

<sup>4</sup> The fund may also pay capital gains in December if required.

<sup>5</sup> 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.

**Did you know?** The Series T version of this Fund pays monthly distributions, calculated as 8% of the final NAV of the previous year and split into 12 monthly installments. 8% targeted Series T Return of Capital payout rate may change at the discretion of Franklin Templeton Investments.

## 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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