



# Franklin Bissett Corporate Bond Fund

Franklin Bissett

Canadian Fixed Income  
January 31, 2019

## Fund Overview<sup>5</sup>

Total Net Assets	\$188,305,848 <sup>1</sup>
Inception Date	Series A: 12/18/2006 Series F: 12/18/2006
Number of Holdings	300
Morningstar Category™	Canadian Corporate Fixed Income
Benchmark	FTSE Canada All Corporate Bond Index

## Investment Objective & Strategy

High current income and some long-term capital appreciation by investing primarily in bonds, debentures, notes, revenue bonds, as well as asset- and mortgage-backed securities of Canadian corporate entities.

## Fund Management

Adrienne Marvi Young	24 Years, Calgary, AB Canada
Darcy Briggs	25 Years, Calgary, AB Canada

## Risk Classification

Low	Low to Medium	Medium	Medium to High	High
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## Asset Allocation (% Market Value)<sup>6</sup>

Corporate Bonds	95.70
Bank Loans	2.05
Federal Bonds	1.33
Cash & Cash Equivalents	0.91

## Fund Codes

	Fund		Corp Class	
	CDN\$	US\$	CDN\$	US\$
Series A Front	TML2061			
Series A DSC	TML2063			
Series A Low Load	TML2062			
Series F	TML2064			
Series F ADM	TML3994			
Series I (Closed to new investors)	TML3384			
Series O	TML2065			
Series PA Front	TML5286			
Series PA DSC	TML5288			
Series PA Low Load	TML5287			
Series PF	TML3752			
Series PF ADM	TML5062			

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

<sup>2</sup> Please see detailed definitions on the last page.

<sup>3</sup> The fund may also pay capital gains in December if required.

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

<sup>5</sup> 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).

<sup>6</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.

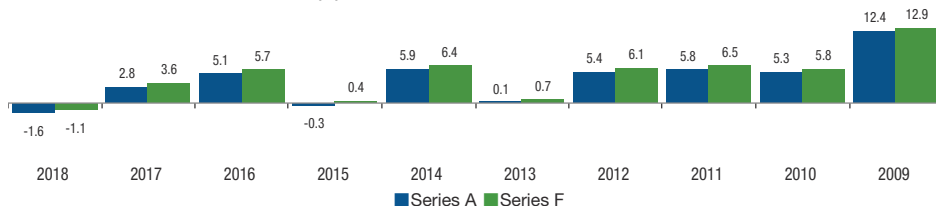
<sup>7</sup> May not include all sectors.

## REASONS TO INVEST IN THIS FUND:

- **Ideal complement to a diversified income strategy.** The fund is ideal for investors seeking a great addition to an income portfolio that may already include dividend-paying equities, income trusts, government bonds and GICs.
- **Potential for increased fixed income returns.** The fund offers fixed-income investors the potential for higher returns by focusing primarily on investment-grade corporate bonds, debentures and short-term notes.

## 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	1.87	1.87	1.84	0.99	0.62	3.20	2.32	4.21	3.32
Series F <sup>†</sup>	1.92	1.92	1.98	1.27	1.21	3.82	2.90	4.80	3.90

<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>6</sup>

407 International Inc., Senior Secured Bond, 144A, 6.47%, 7/27/29	1.68
BNSF Funding Trust I, Sub. Bond, 6.613% to 1/15/26, FRN thereafter, 12/15/55	1.46
Choice Properties REIT, Senior Note, 4.178%, 3/08/28	1.31
The Toronto-Dominion Bank, Sub. Note, 9.15%, 5/26/25	1.28
Bell MTS, Senior Bond, Reg S, 4.00%, 5/27/24	1.22
Sprint Spectrum Co. LLC, Senior Secured Bond, First Lien, 144A, 5.152%, 9/20/29	1.20
Cameco Corp., Senior Note, 4.19%, 6/24/24	1.09
Wells Fargo & Company, Sub. Note, 3.874%, 5/21/25	1.06
Wells Fargo & Company, Senior Bond, 2.975%, 5/19/26	1.05
MetLife Capital Trust IV, pfd., Junior Sub. Bond, 144A, 7.875% to 12/15/37, FRN thereafter, 12/15/67	1.05

## Composition of Fund

### Top Country Weightings (% Market Value)<sup>6</sup>

Canada	66.05
United States	29.10
Australia	1.43
Netherlands	0.93
United Kingdom	0.57
Belgium	0.47
Germany	0.37
Mexico	0.26
Others	0.27
Cash & Cash Equivalents	0.55

### Bond Ratings (% Market Value)<sup>4,6</sup>

AAA	2.23	B	1.36
AA	5.53	CCC	0.28
A	32.55	NR	0.33
BBB	48.08	Cash & Cash Equivalents	0.55
BB	9.10		

## Fund Facts<sup>5</sup>

Price per Unit (Series A)	\$9.08
Yield to Maturity <sup>2</sup>	4.40%
Average Weighted Maturity	11.7 Years
Average Duration	6.4 Years
Duration to Worst	6.4 Years
Portfolio Turnover Rate (06/30/2018)	27.51%
MER (06/30/2018 incl. HST)	A: 1.54% F: 0.99%
Yield to Worst <sup>2</sup>	4.31%
Distributions	Interest income paid monthly <sup>3</sup>

## Series A Distribution History

Date	Price	Distr.	Date	Price	Distr.
02/28/2018	\$9.39	\$0.03	08/31/2018	\$9.29	\$0.03
03/29/2018	\$9.40	\$0.03	09/28/2018	\$9.19	\$0.03
04/30/2018	\$9.30	\$0.03	10/31/2018	\$9.08	\$0.03
05/31/2018	\$9.33	\$0.03	11/30/2018	\$9.01	\$0.03
06/29/2018	\$9.30	\$0.03	12/20/2018	\$8.96	\$0.11
07/31/2018	\$9.24	\$0.03	01/31/2019	\$9.08	\$0.03

## Top Sector Weightings (% Market Value)<sup>6,7</sup>

Energy	30.28
Financials	28.67
Communication	9.69
Industrials	9.63
Infrastructure	9.63
Real Estate	6.77
Bank Loans	2.05
Federal	1.33
Securitization	1.03
Cash & Cash Equivalents	0.91

## 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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