



Franklin ActiveQuant U.S. Corporate Class

U.S. Equity

October 31, 2018

ActiveQuant

Fund Overview

Total Net Assets	\$161,156,901 ¹
Inception Date	Series A: 03/03/2008 Series F: 03/03/2008
Number of Holdings	40
Morningstar Category™	US Equity
Benchmark	S&P 500 Index

Investment Objective & Strategy

The fund aims to grow investors' capital over the long term by investing substantially all of its assets in units of Franklin ActiveQuant U.S. Fund (the "underlying fund"). The underlying fund invests primarily in a diversified portfolio of U.S. securities, utilizing a quantitative model selection process.

Fund Management

Garey J. Aitken	26 Years, Calgary, AB Canada
Jason Hornett	22 Years, Calgary, AB Canada
Izabel Filis	17 Years, Calgary, AB Canada

Risk Classification

Low	Low to Medium	Medium	Medium to High	High
-----	---------------	---------------	----------------	------

Asset Allocation (%)



Fund Codes

	Fund		Corp Class	
	CDN\$	US\$	CDN\$	US\$
Series A Front	TML3970		TML3230	TML3235
Series A DSC	TML3972		TML3232	TML3237
Series A Low Load	TML3971		TML3231	TML3236
Series F	TML3973		TML3233	TML3238
Series F ADM	TML3985		TML5137	TML5161
Series O	TML3228	TML3229	TML3234	TML3239
Series PF	TML3974		TML3819	TML3820
Series PF ADM	TML5053		TML5182	TML5197

[†] 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.

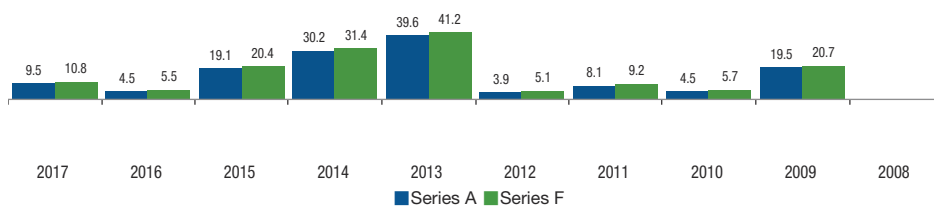
¹ Inclusive of trust and corporate class versions where applicable.

REASONS TO INVEST IN THIS FUND:

- **Exposure to a unique quantitative** approach to investing in U.S. equities that limits selection to 40 securities and maintains a neutral weighting of approximately 2.5% in any one security, reset every mid-month.
- **The quantitative model screens selections** based on historical and projected financial data and without manager or style bias.

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	3.84	-4.77	-2.26	3.15	5.10	7.62	14.52	12.56	8.29
Series F [†]	4.80	-4.68	-1.98	3.69	6.26	8.80	15.76	13.80	9.44

[^] Series inception date

Top Holdings (%)

Nextera Energy Inc	3.09
Cisco Systems Inc	3.03
Aetna Inc	3.00
Visa Inc.	2.79
Nike Inc	2.74
UnitedHealth Group Inc.	2.71
Alphabet Inc	2.66
Torchmark Corporation	2.59
Allstate Corp	2.56
JPMorgan Chase & Co.	2.55

Fund Facts

Price per Unit (Series A)	\$22.36
Portfolio Turnover Rate (06/30/2018)	5.27%
MER (06/30/2018 incl. HST)	A: 2.13% F: 1.02%

Composition of Fund

Top Country Weightings (% of Total)

United States	94.69
Cash & Cash Equivalents	5.31

Top Sector Weightings (% Equity)

Information Technology	17.94
Health Care	17.88
Financials	12.64
Communication Services	12.26
Industrials	11.55
Energy	9.84
Consumer Staples	9.79
Utilities	3.26
Consumer Discretionary	2.89
Materials	1.95

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.

Morningstar Rating - Source: Morningstar Research Inc., as of October 31, 2018. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers; may not be copied or distributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. The Morningstar Risk-Adjusted Rating, commonly referred to as the Star Rating, relates the risk-adjusted performance of a fund to that of its category peers and is subject to change every month. The Star Rating is a measure of a fund's annualized historical excess return (excess is measured relative to risk-free investment in Canadian Government Treasury Bills) adjusted for the fund's historical risk. The overall Star Rating for a fund is a weighted combination of its 3-, 5-, and 10-year ratings. Overall ratings are adjusted where a fund has less than five or 10 years' history. Within each Morningstar category, the top 10% of funds receive five stars, the next 22.5% four stars, the middle 35% three stars, the next 22.5% two stars and the bottom 10% receive one star. Franklin ActiveQuant U.S. Corporate Class is rated within the Morningstar US Equity category. All performance data refers to Series A units. Please refer to www.morningstar.ca for more details on the calculation of Morningstar Risk-Adjusted Ratings. For each of the 3, 5 and 10 year performance periods, there were in total 959, 662 and 272 funds, respectively, in the Morningstar US Equity category. Please refer to www.morningstar.ca for the 1-year information.

Franklin Bissett Investment Management is part of Franklin Templeton Investments Canada. Fiduciary Trust Company of Canada is a wholly owned subsidiary of Franklin Templeton Investments Canada.

Franklin Templeton Solutions (FTS) is a global team dedicated to global portfolio-based solutions. The individuals that advise the Funds or Portfolios in Canada are part of Fiduciary Trust Company of Canada and are also members of the FTS team.

Franklin Templeton Investments Canada is a business name used by Franklin Templeton Investments Corp.

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.



Franklin Templeton Investments Canada
 200 King Street West, Suite 1500, Toronto, Ontario, M5H 3T4
 Client Dealer Services: 1.800.387.0830 Fax: 1.866.850.8241
www.franklintempleton.ca