



Product Profile

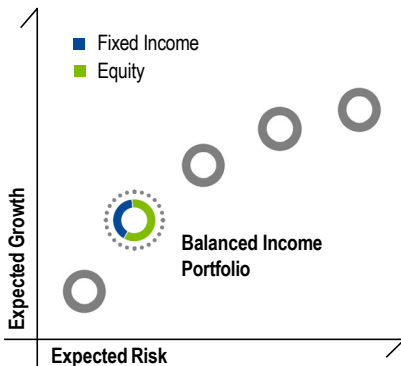
Product Details

Total Net Assets ¹	\$1,070,982,007
Inception Date	08/19/2002
Positions (excluding cash)	21
Minimum Investment	\$500
NAV	\$9.07
MER	F: 1.00%
Custom Benchmark ²	Quotential Balanced Income Benchmark
Morningstar Category™	Global Fixed Income Balanced

Risk Classification²

Low	Low to Medium	Medium	Medium to High	High
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FRANKLIN QUOTENTIAL PROGRAM



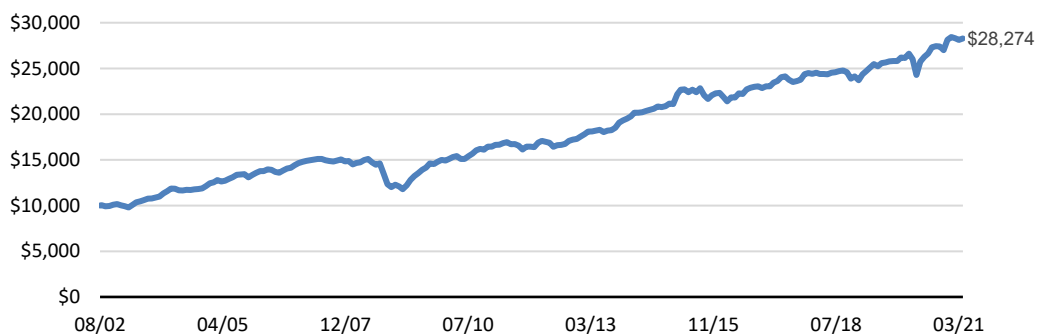
Fund Description

Franklin Quotential Balanced Income Portfolio will have an optimal asset mix of 50–75% fixed income and 25–50% equities. The Portfolio advisor may review and adjust the optimal asset mix, in its sole discretion, depending on economic conditions and relative value of income and equity securities.

Performance Data

Growth of \$10,000

August 19, 2002 to March 31, 2021



The growth of \$10,000 begins at the date of the Portfolio's inception. Figures include reinvestment of income, capital gains, return of capital and dividends.

Average Annual Total Returns (%)

	3 Mths*	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception (12/12/2005)
Series F	-0.61	-0.61	16.43	5.05	5.30	5.43	5.74

Calendar Year Returns (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Series F	8.80	10.23	-2.88	5.99	3.15	5.83	8.15	11.16	7.13	-0.42

1. Inclusive of trust and corporate class versions where applicable.

2. Custom Franklin Quotential Balanced Income Benchmark is a blended index currently composed of the MSCI AC World TR Index (NR) (30%), S&P/TSX Composite TR Index (10%), FTSE Canada Universe Bond Index (formerly known as DEX Universe Bond Index, 40%) and Bloomberg Barclays Multiverse Bond Index (hedged, 20%). Net Returns (NR) include income net of maximum foreign withholding tax when dividends are paid. For custom benchmark history refer to the last page.

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 the 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 securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated.

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

* Cumulative Returns.

Supplemental Performance Statistics

Supplemental Risk Statistics

	3 Years	5 Years	10 Years	Since Inception
Standard Deviation (%)	7.10	5.95	5.56	6.08
Tracking Error (%)	1.10	1.21	1.69	1.99
Information Ratio	-1.63	-1.04	-0.50	-0.34
Beta	1.08	1.07	1.12	1.13
Sharpe Ratio	0.54	0.73	0.81	0.67

The indicated rates of return are the historical annual compounded total returns including changes in share or 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. Please call Franklin Templeton Client Services at 1.800.387.0830 or visit www.franklintempleton.ca for the most recent month-end performance.

Portfolio Manager Insight

Performance Review

- The US Federal Reserve and the Bank of Canada kept interest rates unchanged throughout the first quarter of 2021 and committed to maintaining asset purchases whilst allowing inflation to run above target levels. Dovish monetary policy, combined with ongoing fiscal stimulus and an economic recovery from the effects of COVID-19, served to push rates higher. Sovereign yield curves in both countries steepened sharply, as investors became concerned about rising inflation expectations and central bank buying held down shorter-term rates.
- The cyclical nature of the economic recovery helped energy, financial and industrials stocks to lead gains in the US, whilst growth stocks and bond proxies such as utilities suffered. Canadian stocks also made robust gains, outperforming US equities, as the market was boosted by rising oil prices, which traded at their highest levels since April 2019 amidst output restraint and firming demand.
- For the quarter, the fund's Series F shares returned -0.61%, and its benchmark, the Custom Franklin Quotential Balanced Income Benchmark, returned -0.80%.

QUARTERLY KEY PERFORMANCE DRIVERS

CONTRIBUTED	Canadian fixed income fund selection contributed significantly to relative results, benefitting from exposure to short-duration bonds in a rising rates environment. Credit also added relative value, outperforming Federal bonds.
	Cross-asset allocation benefitted relative performance, helped by an overweight to equities and a corresponding underweight to fixed income during a "risk-on" period.
	Emerging market (EM) equity selection also boosted relative results, particularly Templeton Emerging Markets Fund, which benefitted from stock selection in the communication services and health care sectors.
DETRACTED	US equity fund selection detracted from relative performance, held back by Franklin US Opportunities Fund, which suffered from selection within the information technology (IT) and industrials sectors.
	Global bond holdings were held back by rising yields in several major economies, particularly the US, whilst Templeton Global Bond Fund suffered from overweighted positions in the Japanese yen and Swedish krona.
	An underweight allocation to global bonds detracted from results, as they outperformed their Canadian counterparts.

Outlook & Strategy

- We will retain a "risk-on" posture into the second quarter, due to market expectations for sustained global growth amidst the receding threat of COVID-19. A cyclical rebound is now well established, and we expect fiscal stimulus to continue to support economic activity, outweighing any near-term concerns around the rate of recovery.
- As a result, we remain bullish on equities in comparison to bonds, despite elevated valuations, as corporate earnings improve. The extraordinary stimulus measures employed in the US lead us to remain optimistic on US stocks whilst we prefer the cyclical Japanese market to Europe, given political constraints on further stimulus in the region. We remain neutral on EM equities, given the Chinese government's intention to rebalance its economy at the expense of growth, which may include the withdrawal of fiscal stimulus.
- Despite a recent increase in inflation expectations, we believe any inflationary pressures will be transitory as surging post-pandemic demand drives prices higher. We expect monetary policy from major central banks to remain supportive as deflationary forces eventually take effect during the process of economic normalisation. Benchmark US Treasury yields may drift higher before stabilising, in our opinion, without any significant effect on equity markets. Canadian bond yields broadly match those in the United States but may be a bit more subdued for a while, as Canada is vulnerable to higher debt levels and a slower vaccine rollout.
- Within credit, we maintain a preference for high-yield bonds over investment-grade issues given improved risk appetite, whilst the lower duration risk inherent in high-yield bonds becomes more attractive as rates rise. Within alternative assets, we are constructive on commodities as global growth expands and we view US Treasury Inflation-Protected Securities (TIPS) as a hedge against the potential for rising inflation.

Portfolio Characteristics

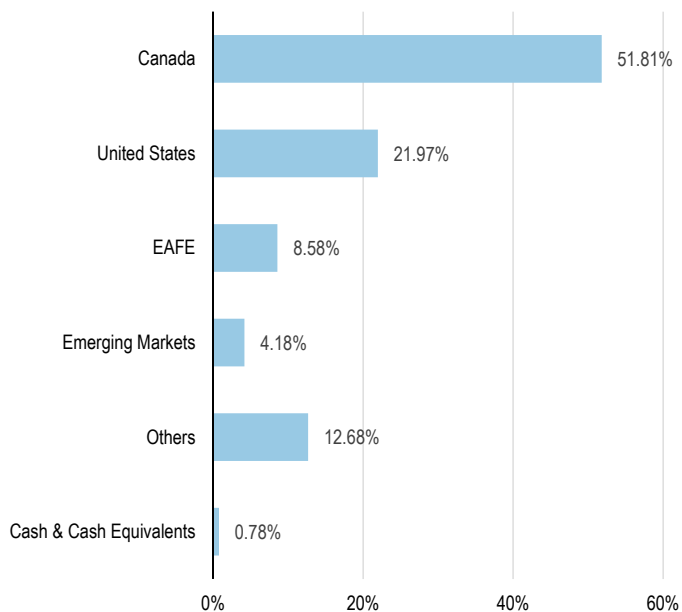
	Portfolio
Dividend Yield (%)*	2.02
Yield to Maturity (%)*	2.44
Internal Yield (%)*	2.25
Average Duration (Yr)	3.45
Average Coupon (%)	3.59

*Weighted Average

Portfolio Diversification

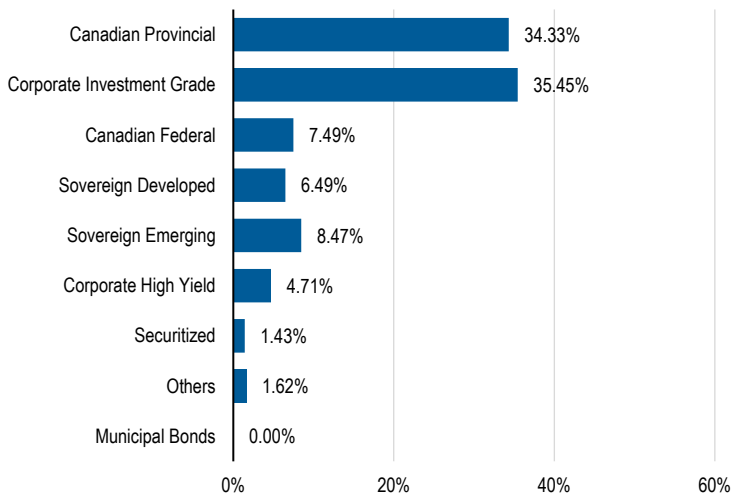
Geographic Allocation

Market Value—Percent of Total



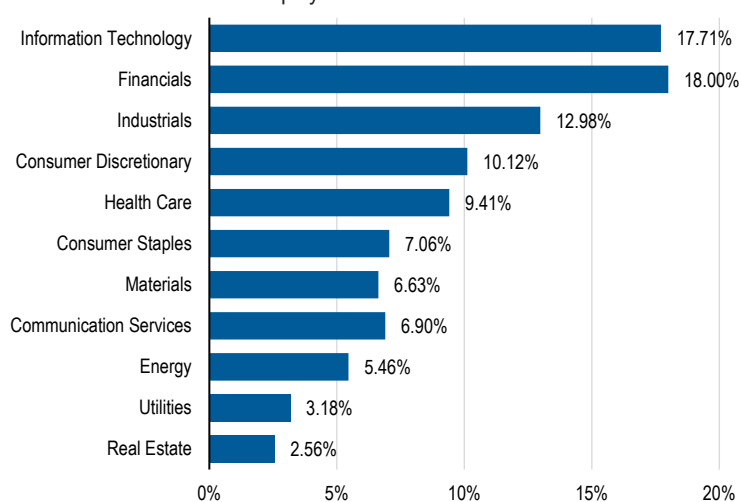
Sector Allocation - Fixed Income

Market Value—Percent of Fixed Income



Sector Allocation - Equity

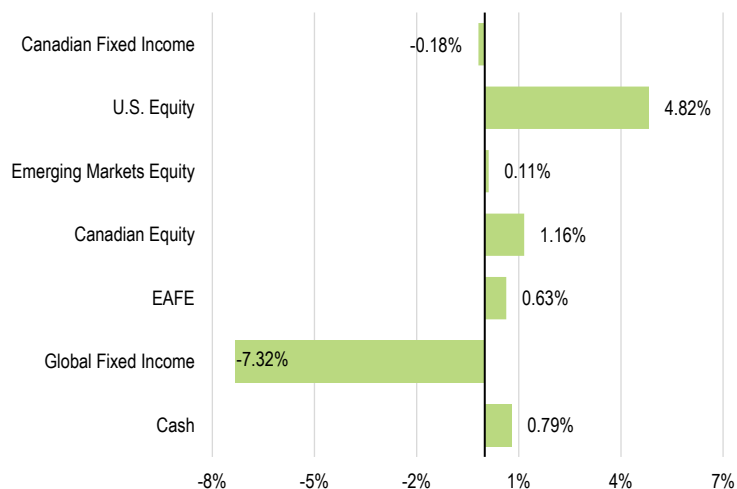
Market Value—Percent of Equity



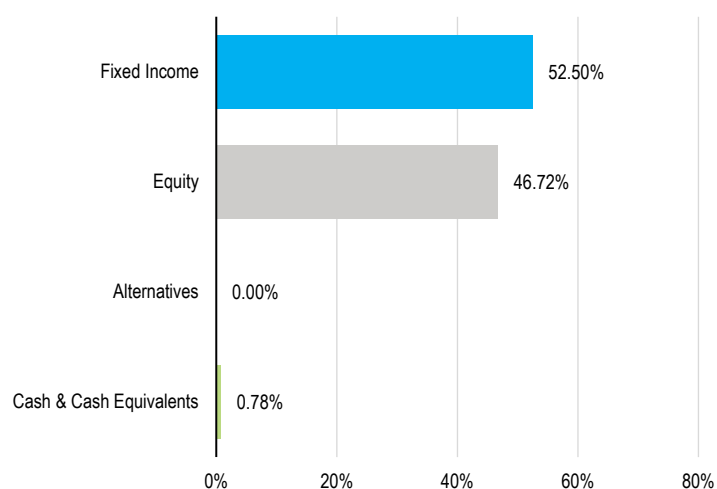
Totals may not add to 100% due to rounding. Asset Class—Portfolio pie chart includes ETFs. All other pie charts “look through” the funds to the underlying security and do not include ETFs. Source: FactSet. Important data provider notices and terms available at www.franklintempletondatasources.com. High Yield: Includes ratings of BB, B, CCC, CC, C, D. Other assets: Non-security holdings include cash, cash equivalents and net receivables. Ratings shown are assigned by one or more Nationally Recognized Statistical Rating Organizations (“NRSRO”), such as Standard & Poor’s, DBRS, 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.

Overweight/Underweight²

Total as % of Total

**Asset Allocation**

Market Value—Percent of Total

**ACTIVE MANAGEMENT AT THE FUND LEVEL**

The table below shows tactical adjustments made to the Portfolio over recent quarters.

	Mar-21	Dec-20	Sept-20	Jun-20
Canadian Equity Funds (%)	11.99	10.94	10.55	10.70
Franklin Bissett Canadian Equity Fund	4.23	3.84	3.83	3.86
Franklin Canadian Core Equity Fund	2.83	2.74	2.70	2.88
Franklin FTSE Canada All Cap Index ETF	4.93	4.37	4.02	3.96
U.S. Equity Funds (%)	21.97	20.57	19.03	19.42
Franklin FTSE U.S. Index ETF	6.03	5.64	4.72	4.35
Franklin LibertyQT U.S. Equity Index ETF	1.39	2.68	2.40	2.45
Franklin U.S. Core Equity Fund	5.47	5.14	5.36	5.74
Franklin U.S. Opportunities Fund	3.16	3.09	3.08	3.40
Franklin U.S. Rising Dividends Fund	4.33	4.02	3.48	3.48
SPDR Portfolio S&P 500 Value ETF	1.60	—	—	—
EAFE (%)	8.58	8.21	7.53	7.79
Franklin FTSE Europe ex. U.K. Index ETF	1.08	1.34	1.27	1.33
Franklin FTSE Japan Index ETF	1.48	—	—	—
Franklin International Core Equity Fund	3.21	3.11	3.16	3.30
iShares Core MSCI EAFE ETF	2.82	3.76	3.10	3.16
Emerging Markets Equity Funds (%)	4.18	4.25	3.75	4.19
Franklin Emerging Market Core Equity Fund	1.19	1.20	1.31	1.44
iShares Core MSCI Emerging Markets ETF	1.24	1.26	1.20	1.47
Templeton Emerging Markets Fund	1.75	1.78	1.24	1.28
Canadian Fixed Income Funds (%)	39.82	41.28	44.00	43.02
Franklin Bissett Canadian Government Bond Fund	13.69	14.26	15.44	15.03
Franklin Bissett Core Plus Bond Fund	20.51	21.47	22.61	22.22
Franklin Bissett Short Duration Bond Fund	5.62	5.55	5.95	5.77
Global Fixed Income Funds (%)	12.68	13.44	14.49	13.87
Franklin Liberty Global Aggregate Bond ETF (CAD Hedged)	9.07	9.49	10.24	9.61
Templeton Global Bond Fund	3.61	3.95	4.25	4.26
Cash & Other Net Assets (%)	0.78	1.30	0.66	1.00

Totals may not add to 100% due to rounding. Asset Allocation—chart includes ETFs. All other charts “look through” the funds to the underlying security and do not include ETFs.

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Michael Greenberg, CFA, CAIA	15	18
Ian M. Riach, CFA	21	35

Glossary

Average Coupon: The par-weighted average of the coupon rates of bonds.

Average Duration: The market-weighted average of the duration of bonds. Duration of each bond is the estimated percentage change in the bond's price for a 1% change in the bond's yield.

Beta: A measure of the magnitude of a portfolio's past share-price fluctuations in relation to the ups and downs of the overall market (or appropriate market index). The market (or index) is assigned a beta of 1.00, so a portfolio with a beta of 1.20 would have seen its share price rise or fall by 12% when the overall market rose or fell by 10%.

Dividend Yield: The market-weighted average yield on securities within the portfolio; should not be used as an indication of the income received from this portfolio.**

Information Ratio: In investing terminology, the ratio of expected return to risk. Usually, this statistical technique is used to measure a manager's performance against a benchmark. This measure explicitly relates the degree by which an investment has beaten the benchmark to the consistency by which the investment has beaten the benchmark.

Internal Yield: The market-weighted average of the portfolio's Yield to Maturity and Dividend Yield.**

Sharpe Ratio: a measure that indicates the average return minus the risk-free return divided by the standard deviation of return on an investment.

Standard Deviation: a quantity calculated to indicate the extent of deviation for a group as a whole.

Yield to Maturity: The market-weighted average of the yields to maturity of bonds.**

**Gross of fees and tax withholding.

Fund Codes

UNIT TRUST SERIES	CDN\$	US\$*
Series A Front End	656	3700
Series A DSC	657	3702
Series A Low Load	640	3701
Series T Front End	690	—
Series T DSC	691	—
Series T Low Load	641	—
Series F	670	3703
Series F ADM [†]	5006	5030
Series FT	5502	—
Series FT ADM [†]	5048	—
Series I**	677	3704

T TRUST SERIES, cont'd	CDN\$	US\$*
eries PA Front End	5412	5415
eries PA DSC	5414	5417
eries PA Low Load	5413	5416
eries PT Front End	5418	—
eries PT DSC	5420	—
eries PT Low Load	5419	—
eries PF	3873	3874
eries PF ADM [†]	5074	5101
eries PFT	3898	—
eries PFT ADM [†]	5123	—
eries O	683	3705
eries OT	3068	—

* As of February 1, 2017, all U.S.-dollar denominated series, with the exception of Series T-USD, are closed to new investors.

** Series I and V closed to new investors as of November 22, 2016.

† "ADM" refers to the Investment Advisory Services Fee purchase option for series F, FT, PF, PF (Hedged) and PFT. Please see the simplified prospectus for further details.

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Franklin Templeton Investment Solutions (FTIS) is a global team dedicated to global portfolio-based solutions. FTIS is a business name used by Fiduciary Trust Company of Canada.

Franklin Quotential Balance Income Historical Benchmark:

The benchmark was changed to reflect a reduction in the home bias of the Fund.

Effective January 1, 2020, the global equity component of the benchmark—the MSCI AC World Index—has been retrospectively changed from gross returns to net of returns, to better represent the experience

of Canadian investors. Net Returns (NR) include income net of maximum foreign withholding tax when dividends are paid.

For the period January 1, 2017, to December 31, 2019, the blended index was composed of the MSCI AC World TR Index (NR) (25%), S&P/TSX Composite TR Index (15%), FTSE Canada Universe Bond Index (formerly known as DEX Universe Bond Index (40%) and Bloomberg Barclays Multiverse Bond Index (hedged, 20%).

For the period December 31, 2011, to December 31, 2016, the blended index was composed of the MSCI AC World TR Index (NR) (20%), S&P/TSX Composite TR Index (20%), FTSE Canada Universe Bond Index (45%) and Bloomberg Barclays Multiverse Bond Index (hedged, 15%).

For the period January 1, 2009, to December 31, 2011, the blended index was composed of the MSCI AC World TR Index (NR) (15%), S&P/TSX Composite TR Index (25%) and DEX Universe Bond Index (60%).

For the period June 1, 2006, to December 31, 2008, the blended index was composed of the MSCI World TR Index (NR) (7%), S&P 500 TR Index (8%), S&P/TSX Composite TR Index (25%) and DEX Universe Bond Index (60%).

For the period August 19, 2002, to May 31, 2006, the blended index was composed of the MSCI World TR Index (NR) (11%), S&P 500 TR Index (11%), S&P/TSX Composite TR Index (18%) and Scotia Capital Markets (SCM) Index (60%).



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