

## Fund Commentary

### Performance Review

- Despite the continued immediate and material impact of COVID-19 on global societies and the economy, Canadian equities extended their strength in the fourth quarter of 2020.
- For the quarter, the fund's Series F shares returned 6.29%, and its benchmark, the S&P/TSX Composite Index, returned 8.97%.

### QUARTERLY KEY PERFORMANCE DRIVERS

	Stocks	Sectors
HELPED	Freehold Royalties Ltd.	Materials (underweight)
	Brookfield Renewable Partners	Real Estate (security selection)
	RioCan Real Estate Investment Trust	
HURT	Metro Inc.	Communication Staples (overweight)
	Wheaton Precious Metals	Utilities (overweight)
	Loblaw Companies Limited	Consumer Discretionary (underweight)

- With a 6.6% total return, the fund underperformed the benchmark for the period. From an attribution perspective, the major driver of negative relative performance was allocation effect. The biggest negative contributors from a sector perspective were consumer staples, consumer discretionary and utilities, offset by a positive contribution from materials. The fund continues to be overweight consumer staples, communication services, utilities and real estate while being underweight materials, financials, information technology and industrials.

### Outlook & Strategy

- As the world's nations pivot to now focus on procurement, distribution and deployment of vaccines, uncertainty remains as to the timing of the road to recovery from the pandemic itself and the ultimate impact of the economic ramifications on various sectors and businesses, both positive and negative.
- We believe that the multitude of risks and uncertainties facing us today combined with the glass-half-full valuations being reflected in large part in equity markets underscores the value of our investment philosophy and approach.

### Fund Details

Inception Date	12/22/2003
Benchmark Name	S&P/TSX Composite Index

### Fund Description

The fund seeks long-term capital appreciation by investing primarily in dividend-paying or income-producing Canadian securities, including common shares, income trust units and preferred shares. Portfolio managers look for quality companies at reasonable prices that have a proven ability to deliver a consistent and growing level of dividends over time.

### Performance Data

#### Performance (%) as of 12/31/2020

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	Since Inception	Inception Date
Series A	-0.67	5.99	-5.52	-5.52	-1.01	3.22	04/25/2016
Series F	-0.58	6.29	-4.46	-4.46	0.14	4.39	04/25/2016
S&P/TSX Composite Index	1.72	8.97	5.60	5.60	5.74	8.38	-

Indicated rates of return include changes in unit or share value and reinvestment of all distributions and dividends 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 refer to the prospectus for further details. **For details on the respective series inception dates, please consult the Fund Facts or simplified prospectus for the fund.** Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. **Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.**

### Investment Team

**Les Stelmach, CFA**  
 Years with Firm 14  
 Years Experience 21

**Ryan Crowther, CFA**  
 Years with Firm 12  
 Years Experience 18

**Important Legal Information**

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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.

Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

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