



**FRANKLIN TEMPLETON
INVESTMENTS**

Franklin Bissett Canadian Dividend Fund

Series A
Series F
December 31, 2018

Fund Commentary

Performance Review

- For the fourth quarter, three out of eleven GICS sectors posted positive total returns. The three positive sectors were Consumer Staples (+5.7%), Communication Services (+2.0%) and Materials (+0.9%). Conversely, the worst performing sectors were Health Care (-35.3%), followed by Energy (-17.3%) and Industrials (-13.4%).
- For the quarter, the fund's Series F shares returned -10.45%, and its benchmark, the S&P/TSX Composite Index, returned -10.11%.

QUARTERLY KEY PERFORMANCE DRIVERS

	Stocks	Sectors
Helped	Metro Inc.	Communication Services (Overweight)
	Rogers Communications Inc. Class B	Utilities (Overweight)
	Fortis Inc.	Consumer Staples (Stock Selection)
Hurt	ARC Resources Ltd.	Materials (Stock Selection, Underweight)
	Horizon North Logistics Inc.	Energy (Stock Selection)
	—	Industrials (Stock Selection)

- The Fund experienced negative security selection + interaction and positive sector allocation in the fourth quarter. Security selection + interaction was most notably impacted by individual holdings Utilities, Materials and Energy sectors.

Outlook & Strategy

- As was the case going into this most recent correction, we believe now is an important time to be increasingly discerning.
- With our long-term perspective and discerning approach, we will capitalize on equity market dislocations as they present themselves and continue to build on our track record of superior absolute, relative and risk-adjusted returns.

Fund Details

Inception Date	12/22/2003
Benchmark	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 12/31/2018

	1 Month	3 Mths	YTD	1 Yr	Since Inception
Series A	-6.07	-10.71	-12.29	-12.29	1.79
Series F	-5.98	-10.45	-11.26	-11.26	2.93
S&P/TSX Composite Index	-5.40	-10.11	-8.89	-8.89	4.44

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 13
Years Experience 20

Ryan Crowther, CFA
Years with Firm 10
Years Experience 17

Important Legal Information

The information presented is considered reliable at the present time; however, we do not represent that it is accurate or complete, or that it should be relied upon as such. Speculation or stated beliefs about future events, such as market or economic conditions, company or security performance, upcoming product offerings or other projections represent the beliefs of the speaker and do not necessarily represent the views of Franklin Templeton Investments Corp. General business, market, economic and political conditions could cause actual results to differ materially. The information presented is not a recommendation or solicitation to buy or sell securities.

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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