

**Fund Commentary**
**Performance Review**

- Both Canadian and U.S. equities were strong once again in the second quarter of 2021, marking five consecutive quarters of sizeable positive returns. S&P TSX Composite Index returns were largely driven by gains in the information technology, energy and financials sectors.
- For the quarter, the fund's Series F shares returned 6.37%, and its benchmark, the Custom Franklin Bissett Dividend Income Benchmark, returned 7.04%.

**QUARTERLY KEY PERFORMANCE DRIVERS**

<b>HELPED</b>	In the Canadian equity sleeve, strength in both crude oil and natural gas prices meant ARC Resources (+37.4%), Freehold Royalties (+35.5%), and Keyera (+29.6%) were the three biggest positive contributors to relative performance.
	The portfolio's relative performance also benefitted from weakness in Canadian cannabis names (none of which are holdings), particularly Canopy Growth (-25.7%) and Aphria (-28.3%).
	Fixed income had a modest positive impact on relative performance
<b>HURT</b>	In the Canadian sleeve, not holding Shopify (+30.7%) in information technology was the single largest headwind to relative performance.
	Other detractors were Brookfield Renewable Partners (-10%) in utilities and Manulife (-8.7%) in financials
	In the U.S. sleeve, Verizon (-3.9%) in Communication Services weighed on relative performance.

**Outlook & Strategy**

- We believe that investment decisions based on fundamentals and valuations will win out over those based on hype and momentum. We are confident that our fundamentally-strong and consistently-applied GARP (growth-at-a-reasonable-price) investment style is suitable. We will remain disciplined and stay true to our investment style, seeking out businesses that can achieve secular growth in intrinsic value driven by advances in sustainable profitability (return on capital relative to cost of capital) through cycles, maintain appropriate capital structures for the industry in which they operate, and allocate capital wisely.
- We remain ready to take advantage of dislocations as they present themselves, allowing us to build on our long-term track record of superior absolute, relative, and risk-adjusted returns.

**Fund Details**

Inception Date	05/31/1988
Benchmark Name	Custom Franklin Bissett Dividend Income Benchmark, Custom Franklin Bissett Dividend Income Benchmark (non-time-linked), S&P/TSX Composite Index, FTSE Canada Universe Bond 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 06/30/2021

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception	Inception Date
Series A	2.20	6.07	12.49	23.82	6.15	6.10	5.75	5.67	11/24/2000
Series F	2.30	6.37	13.11	25.19	7.38	7.35	7.01	8.05	05/31/1988
Custom Franklin Bissett Dividend Income Benchmark	2.65	7.04	12.87	26.96	10.80	10.69	8.84	6.51	-
Custom Franklin Bissett Dividend Income Benchmark (non-time-linked)	2.65	7.04	12.87	26.97	10.81	10.69	8.84	6.61	-
S&P/TSX Composite Index	2.48	8.54	17.28	33.85	10.79	10.77	7.44	6.76	-
FTSE Canada Universe Bond Index <sup>a</sup>	0.96	1.66	-3.46	-2.43	4.16	2.64	3.90	5.14	-

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 15  
Years Experience 22

**Ryan Crowther, CFA**

Years with Firm 13  
Years Experience 19

**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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