

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 -10.02%, and its benchmark, the S&P/TSX Composite Index, returned -10.11%.

QUARTERLY KEY PERFORMANCE DRIVERS

	Stocks	Sectors
Helped	Metro Inc.	Consumer Staples (Overweight)
	Franco-Nevada Corporation	—
	—	—
Hurt	—	Materials (Underweight)
	—	Communication Services (Underweight)
	—	Energy (Stock Selection)

- The Fund experienced negative security selection and positive sector allocation in the fourth quarter. Stock selection was most notably impacted by individual holdings in Energy, partially offset by individual holdings in Consumer Staples and Utilities.

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	03/01/1983
Benchmark	S&P/TSX Composite Index

Fund Description

This Fund seeks long-term capital appreciation by investing primarily in a diversified portfolio of mid- to large-cap Canadian equities.

Performance Data

Performance (%) as of 12/31/2018

	1 Month	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Since Inception
Series A	-6.37	-10.31	-11.45	-11.45	3.69	2.02	8.73	5.29
Series F	-6.27	-10.02	-10.29	-10.29	5.07	3.37	10.13	9.96
S&P/TSX Composite Index	-5.40	-10.11	-8.89	-8.89	6.37	4.06	7.92	5.26

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

Garey J. Aitken, CFA
Years with Firm 20
Years Experience 27

Tim Caulfield, CFA
Years with Firm 12
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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