



FRANKLIN TEMPLETON
INVESTMENTS

FRANKLIN TEMPLETON PRODUCT SERIES ADVISOR GUIDE



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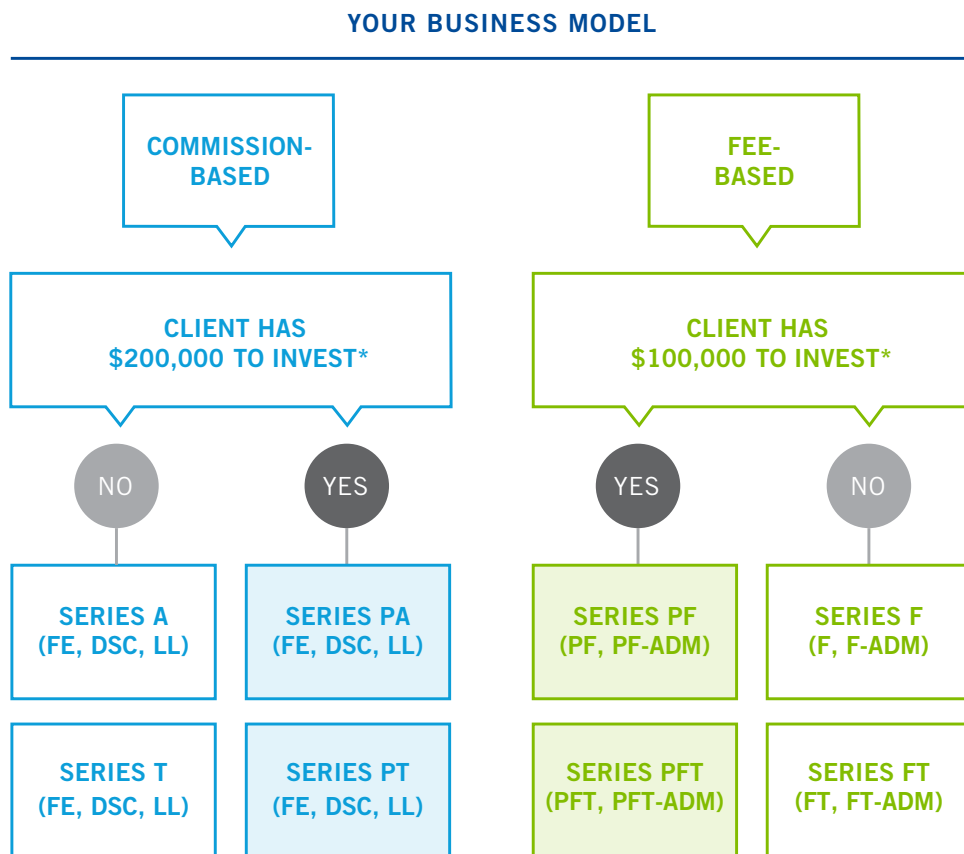
President & CEO
Franklin Templeton Investments Canada

“ *Our product offerings are evolving to reflect the changing needs of Canadian advisors and their clients.*

This guide will help you navigate the various fee structures, product series and load types available on our diverse line-up of mutual funds and portfolios.”

DECISION MATRIX

Use the following table to determine which fund series might be best suited for your business and your clients' needs.



Series T, PT, PFT and FT are for clients looking for monthly tax-efficient income.

Purchase options available for Series A, PA, T and PT

- FE: Front End
- DSC: Deferred Sales Charge
- LL: Low Load

Purchase options available for fee-based series

- Series F, PF, FT and PFT: Negotiated fee managed by your dealer's back office
- Series F-ADM, PF-ADM, FT-ADM, PFT-ADM: Negotiated client-based fee administered by Franklin Templeton Investments**

Additional Series

- Series O and OT are compatible with commission- and fee-based business models. They are offered to investors with a minimum investment of \$200,000. Please turn to page 4 for more information.
- Commission-based Series I and V are closed to new investors. The investment minimum for Series I and V is \$100,000. Please read the prospectus for more information.

*Investment minimums can be reached by linking related accounts. Please complete and submit an Account Linking Form to link accounts. Upon reaching the minimum, clients will be automatically switched into the corresponding preferred series with lower fees: from A to PA, T to PT, F to PF and FT into PFT. The switch from Series A to PA and from T to PT will maintain the client's purchase option (front end, deferred sales charges or low load). Any applicable redemption fee schedule started in the Series A or T will simply continue in the continuing Series PA or PT, respectively.

**ADM (Administered Fee Service) is a purchase option for fee-based series under which Franklin Templeton Investments administers ADM advisory fees on behalf of advisors. For further details, please consult the simplified prospectus under Investment Advisory Services Fee Purchase Option for Series F, FT, PF, PF (Hedged) and PFT.

FRANKLIN TEMPLETON FUND SERIES: AT-A-GLANCE REVIEW OF FEES AND COMPENSATION

	Series	Investment Minimum	Key Features	Available Purchase Options/ Load Type	UP-FRONT COMMISSION	
					Amount	Paid By
COMMISSION-BASED MODEL (EMBEDDED FEES)	A	\$500	<ul style="list-style-type: none"> Little or no direct fees charged to clients (depending on load type) 	Front End (FE)	Negotiated up to 6%	Client
				Deferred Sales Charges (DSC)	5.0%	FTIC*
				Low Load (LL)	2.5%	FTIC
	T	\$5,000	<ul style="list-style-type: none"> Little or no direct fees charged to clients (depending on load type) Tax-efficient monthly distribution 	Front End (FE)	Negotiated up to 6%	Client
				Deferred Sales Charges (DSC)	5.0%	FTIC
				Low Load (LL)	2.5%	FTIC
	PA Simplicity Pricing	\$200,000	<ul style="list-style-type: none"> Little or no direct fees charged to clients (depending on load type) Access to Simplicity Pricing 	Front End (FE)	Negotiated up to 6%	Client
				Deferred Sales Charges (DSC)	5.0%	FTIC
				Low Load (LL)	2.5%	FTIC
	PT Simplicity Pricing	\$200,000	<ul style="list-style-type: none"> Little or no direct fees charged to clients (depending on load type) Access to Simplicity Pricing Tax-efficient monthly distribution 	Front End (FE)	Negotiated up to 6%	Client
				Deferred Sales Charges (DSC)	5.0%	FTIC
				Low Load (LL)	2.5%	FTIC
FEE-BASED MODEL	F	\$500	<ul style="list-style-type: none"> Requires client participate in a fee-for-service program 	No Load	None	N/A
				F-ADM	No Load ADM**	None
	FT	\$5,000	<ul style="list-style-type: none"> Requires client participate in a fee-for-service program Tax-efficient monthly distribution 	No Load	None	N/A
				FT-ADM	No Load ADM**	None
	PF Simplicity Pricing	\$100,000	<ul style="list-style-type: none"> Requires client participate in a fee-for-service program Access to Simplicity Pricing program 	No Load	None	N/A
				PF-ADM Simplicity Pricing	No Load ADM**	None
	PFT Simplicity Pricing	\$100,000	<ul style="list-style-type: none"> Requires client participate in a fee-for-service program Access to Simplicity Pricing program Tax-efficient monthly distribution 	No Load	None	N/A
				PFT-ADM Simplicity Pricing	No Load ADM**	None

*FTIC, Franklin Templeton Investments Canada.

**"ADM" refers to the Investment Advisory Services Fee purchase option for series F, FT, PF, PFT and PFT (Hedged). Please see the simplified prospectus for further details. ADM fees are collected by FTIC and remitted to dealers. Before adopting FTIC ADM series, advisors should consult with their dealers regarding any business rules governing such series, especially fee negotiations. ADM fee rates can be submitted to FTIC via Fundserv, or directly with a completed Advisory Services Fee (ADM) Acknowledgement Form, available at www.franklintempleton.ca.

TRAILER/ADVISORY FEE

Available Purchase Options/Load Type	Fee Embedded in MER
Preset by FTIC	<p>Yes A fixed amount is paid to dealers as compensation for the advice and service they offer clients.</p> <p>The amount paid is determined by the asset class, fund series or purchase option. See the Fund Facts document for more information.</p>
Preset by FTIC	
Preset by FTIC	<p>Yes A fixed amount is paid to dealers as compensation for the advice and service they offer clients.</p> <p>The amount paid is determined by the asset class, fund series or purchase option. See the Fund Facts document for more information.</p>
Preset by FTIC	
Negotiated Advisory Fee collected by the dealer	<p>No The MER for these fund series does not include embedded advisor compensation of any kind.</p> <p>F and FT: Advisors need access to a fee-based platform in order to collect fees for advice.</p> <p>F-ADM and FT-ADM: FTIC collects fees for advice from client accounts and remits them to dealers.</p>
Negotiated Advisory Fee of up to 1.5% collected by FTIC on behalf of the advisor as part of the overall program fee	
Negotiated Advisory Fee collected by the dealer	
Negotiated Advisory Fee of up to 1.5% collected by FTIC on behalf of the advisor as part of the overall program fee	
Negotiated Advisory Fee collected by the dealer	<p>No The MER for these fund series does not include embedded advisor compensation of any kind.</p> <p>PF and PFT: Advisors need access to a fee-based platform in order to collect fees for advice.</p> <p>PF-ADM and PFT-ADM: FTIC collects fees for advice from client accounts and remits them to dealers.</p>
Negotiated Advisory Fee of up to 1.5% collected by FTIC on behalf of the advisor as part of the overall program fee	
Negotiated Advisory Fee collected by the dealer	
Negotiated Advisory Fee of up to 1.5% collected by FTIC on behalf of the advisor as part of the overall program fee	

SERIES O AND OT

Investment Minimum: \$200,000

Fee Structure

Series O and OT do not have an MER but charge a Program Fee that consists of the Management and Administration Fee and the Advisory Fee plus applicable taxes.

- **Management and Administration Fee:** tiered, based on fund type and household assets. Please see the Simplified Prospectus or Series O/OT Advisory Services Fee Acknowledgement Form for more information.
- **Advisory Fee:** negotiated between the advisor and the client and paid directly by the client from assets in the account. The Advisory Fee is fully transparent as it is not embedded in an MER.

Tax-Efficient Distributions

Series OT offers monthly distribution consisting of tax-efficient return of capital.

Simplicity Pricing

Accounts from the same household can be pooled on demand to meet the Series O and OT investment minimum.

Business Model Suitability

Series O and OT are compatible with commission-based and fee-based business models. They are suitable for fee-based programs where a set fee is charged at the dealer level or Franklin Templeton Investments can administer the fees on your behalf.

ACCOUNT LINKING

Bringing Simplicity Pricing to More Clients

Account Linking allows families to group their accounts together (without restriction), in order to meet the investment minimums—giving you the opportunity to provide lower fees to more of your clients.

Simplicity Pricing

Examples showing how account linking works

ACCOUNTS	CLIENTS INVESTED IN	
	SERIES A	SERIES F
Husband's TFSA	\$15,000	\$10,000
Wife's RRSP	\$90,000	\$45,000
Family RESP	\$15,000	\$15,000
Father's Open Account	\$80,000	\$30,000
TOTAL	\$200,000	\$100,000
Automatic switch to:	SERIES PA	SERIES PF

Simplicity Pricing Account Linking Form

The image shows a screenshot of the 'Simplicity Pricing Account Linking Form'. The form includes a header with the Franklin Templeton logo and the title 'Simplicity Pricing Account Linking Form'. Below the header, there is a section for 'Client Information' with fields for 'First Name', 'Last Name', 'Address', 'City', 'State', and 'Zip'. There is also a section for 'Account Information' with fields for 'Account Number' and 'Investment Objective'. The form is designed to be filled out by the client or advisor to link multiple accounts for Simplicity Pricing.

Account Linking is easy—simply complete the Simplicity Pricing Account Linking Form and return it to us. No client signature required. Once qualified, pooling assets together at Franklin Templeton allows each family member to benefit from Simplicity Pricing.

ADDITIONAL INFORMATION

Redemption Fee Schedule for Deferred Sales Charges and Low Load Purchase Options

DEFERRED SALES CHARGE		LOW LOAD SALES CHARGE	
If redeemed during	Client pays	If redeemed during	Client pays
Year 1	6.0%	Year 1	3.0%
Year 2	5.5%	Year 2	2.5%
Year 3	5.0%	Year 3	2.0%
Year 4	4.5%	After 3 years	Nil
Year 5	4.0%		
Year 6	3.0%		
After 6 years	Nil		

Advisor Compensation

- Advisors receive an ongoing trailer commission if their clients invest in Series A, T, PA and/or PT of funds.
- Trailing commissions will be calculated based on the average daily net asset value of the units of the funds held by clients during the month and paid monthly or quarterly to your dealer.
- With respect of Series O and Series OT units, an advisory fee is negotiated by, and payable by clients to their dealer under the terms of the Series O/OT Fee Acknowledgement Form agreement.
- No trailer commissions are paid on Series F, FT, PF or PFT.
- On Series F-ADM, FT-ADM, PF-ADM and PFT-ADM negotiated fees will be collected by FTIC from the client's account and paid monthly or quarterly to your dealer. ADM fee rates can be submitted to FTIC via Fundserv, or directly with a completed Advisory Services Fee (ADM) Acknowledgement Form.

Trail Commissions on Series A, T, PA and PT

Fund Type	Front End Units	NON-MATURED UNITS		MATURED UNITS ¹	
		Deferred Sales Charge	Low Load	Deferred Sales Charge	Low Load
Money Market	0.25%	0.25%	0.25%	0.25%	0.25%
Fixed Income	0.50%	0.25%	0.25%	0.50%	0.50%
Franklin Quotential Diversified Income	0.75%	0.375%	0.375%	0.75%	0.75%
Equity	1.00%	0.50%	0.50%	1.00%	1.00%

1. "Low-Load Matured Units" refers to units that have been issued and outstanding for more than three years. "Deferred Sales Charge Matured Units" refers to units that have been issued and outstanding for more than six years. In the case of reinvested dividends and distributions, the maturity period for those units begins when the units are reinvested and such dividends and distributions must be issued and outstanding for three years and six years, respectively, before becoming Low-Load Matured Units and Deferred Sales Charge Matured Units. Please refer to the Franklin Templeton Investments Prospectus for a complete list of trail fees.

For additional information, please contact us at: (800) 387-0830.

Franklin Templeton Investments is a global leader in investment management with clients in over 170 countries. Here in Canada and abroad, we're dedicated to one goal: delivering exceptional asset management for our clients. At the core of our success are multiple independent investment teams—each with a focused area of expertise—from traditional to active quant, alternative strategies, multi-asset solutions and Active and Strategic Beta ETFs. All of these teams share a common commitment to excellence grounded in rigorous, fundamental research and robust, disciplined risk management. We combine our expertise in Canada with extensive global resources, and a focus on excellence. As a result, we've become a trusted partner to generations of advisors and investors.

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



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Founding Member of The Canadian Coalition
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