



Product Profile

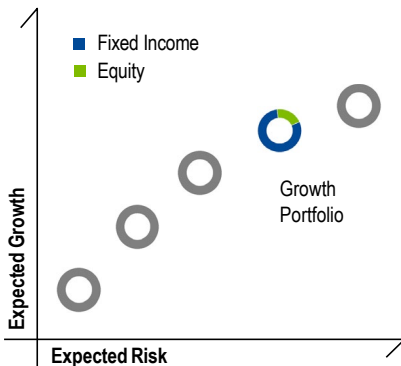
Product Details

Total Net Assets ¹	\$583,770,932
Inception Date	08/19/2002
Positions (excluding cash)	22
Minimum Investment	\$500
NAV	\$11.21
MER	F: 1.38%
Custom Benchmark ²	Quotential Growth Benchmark
Morningstar Category™	Global Equity Balanced

Risk Classification²



FRANKLIN QUOTENTIAL PROGRAM



Fund Description

Quotential Growth Portfolio will have an optimal asset mix of 10–35% fixed income and 65–90% equities. 20–70% of the Portfolio may be invested in foreign securities. The portfolio advisor may review and adjust the optimal asset mix, in its sole discretion, depending on economic conditions and relative value of income and equity securities.

Performance Data

Growth of \$10,000

August 19, 2002 to September 30, 2021



The growth of \$10,000 begins at the date of the Portfolio's inception. Figures include reinvestment of income, capital gains, return of capital and dividends.

Average Annual Total Returns (%)

	3 Mths*	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (12/12/2005)
Series F	0.55	9.00	15.70	8.22	7.54	8.64	6.23

Calendar Year Returns (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Series F	9.64	15.15	-5.86	8.73	3.16	7.81	8.89	20.75	8.74	-6.54

1. Inclusive of trust and corporate class versions where applicable.

2. Custom Franklin Quotential Growth Benchmark is a blended index currently composed of the MSCI All Country World Index-NR (60%), S&P/TSX Composite Total Return Index (20%), FTSE Canada Universe Bond Index (14%) and Bloomberg Multiverse TR Index (100% Hedged into CAD) (6%). Net Returns (NR) include income net of maximum foreign withholding tax when dividends are paid. Benchmarks are rebalanced monthly and returns are in Canadian dollars. For custom benchmark history refer to the last page.

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

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

* Cumulative Returns.

Supplemental Performance Statistics

Supplemental Risk Statistics

	3 Years	5 Years	10 Years	Since Inception
Standard Deviation (%)	11.48	9.34	8.55	9.43
Tracking Error (%)	0.99	1.02	1.92	2.64
Information Ratio	-2.14	-2.24	-0.90	-0.36
Beta	1.02	1.01	1.05	1.02
Sharpe Ratio	0.63	0.71	0.91	0.50

The indicated rates of return are the historical annual compounded total returns including changes in share or 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. Please call Franklin Templeton Client Services at 1.800.387.0830 or visit www.franklintempleton.ca for the most recent month-end performance.

Portfolio Manager Insight

Performance Review

- The US Federal Reserve (Fed) and the Bank of Canada (BoC) kept interest rates unchanged throughout the third quarter of 2021, as accommodative monetary policy supported financial markets. However, concerns about rising inflation and slowing growth saw the adoption of more hawkish language in September. Core inflation across both countries is currently running above 3%, affected by pandemic-related supply bottlenecks, although longer-term expectations are more subdued. The BoC believes its 2% inflation target will be achieved in the second half of 2022, triggering policy tightening, whilst the Fed's projections suggest rates may begin to rise next year.
- US and Canadian stocks were broadly flat across the quarter, although a strong US dollar boosted returns for US dollar-denominated assets in local-currency terms. Emerging market (EM) equities lost ground, hurt by weakness in China linked to slowing growth and domestic government reforms, whilst political and fiscal uncertainty in Brazil also proved a drag. European markets were flat, whilst Japanese stocks rose as its economic recovery accelerated.
- For the quarter, the fund's Series F shares returned 0.55%, and its benchmark, the Custom Franklin Quotential Growth Benchmark, returned 0.72%.

QUARTERLY KEY PERFORMANCE DRIVERS

CONTRIBUTED	Canadian equity fund selection benefitted relative results, notably Franklin Bissett Canadian Equity Fund, helped by an overweight allocation to the consumer staples sector and selection amongst materials and information technology (IT) stocks.
	Our underweight allocation to EM equities helped relative performance during a difficult period for markets in China and Latin America. Chinese equities suffered from slowing growth and increased domestic regulatory scrutiny.
	Cross-asset allocation benefitted relative performance, helped by an overweight to equities and a corresponding underweight to fixed income as investor sentiment was positive for most of the quarter.
DETRACTED	EM equity selection proved a drag on relative results, notably Templeton Emerging Markets Fund, which suffered from selection amongst financials and consumer discretionary stocks.
	Selection amongst international equities detracted, including Franklin International Core Equity Fund, which was hurt by selection within the IT and industrials sectors.
	US equities held back relative results slightly, in aggregate, particularly funds invested in value stocks, which underperformed their growth counterparts during the third quarter.

Outlook & Strategy

- Market volatility has risen recently, due to heightened levels of inflation, the peaking of growth in many major economies and a growing possibility of monetary policy normalisation.
- Despite this, we remain optimistic on risk assets, preferring equities to bonds given our constructive longer-term outlook for global growth and inflation. Bonds remain less appealing, in our view, particularly given the current positive correlation with equities, which diminishes their effectiveness as a means of diversifying portfolios.
- As markets experience short-term turbulence, we are inclined towards damage limitation, finding assets that dampen volatility, whilst cash also offers some protection from downside, despite lack of yield. Should the market drawdown deepen further, we may consider increasing our overweight to equities, although that would depend on the progress of underlying growth and inflation fundamentals.
- Within equities, we hold an optimistic view on Japan as its COVID-19 vaccine programme gathers pace and the economy recovers. We also retain a preference for US and Canadian stocks, despite inflationary headwinds, given relatively strong economic data and corporate earnings. We are more pessimistic on EMs, which remain volatile with idiosyncratic headwinds. China is suffering from a natural slowing of growth momentum, following its early recovery from the pandemic, and is hampered further by domestic government policy. Elsewhere, the Asia-Pacific region is suffering from the zero-tolerance policy on COVID-19 infections implemented in certain countries, which increases the possibility of fresh lockdowns.
- The hawkish language used by central banks in the US, Canada and the UK is likely to have a destabilising effect on yields, driving down prices, whilst credit spreads remain narrow, reducing the appeal of higher-quality investment-grade issues in a rising rates environment. The credit rally appears to have run its course, in our view, although the excess returns earned from holding high yield credit are appealing, despite increased risk. We like EM debt for the same reasons, although selective positioning is important.

Portfolio Characteristics

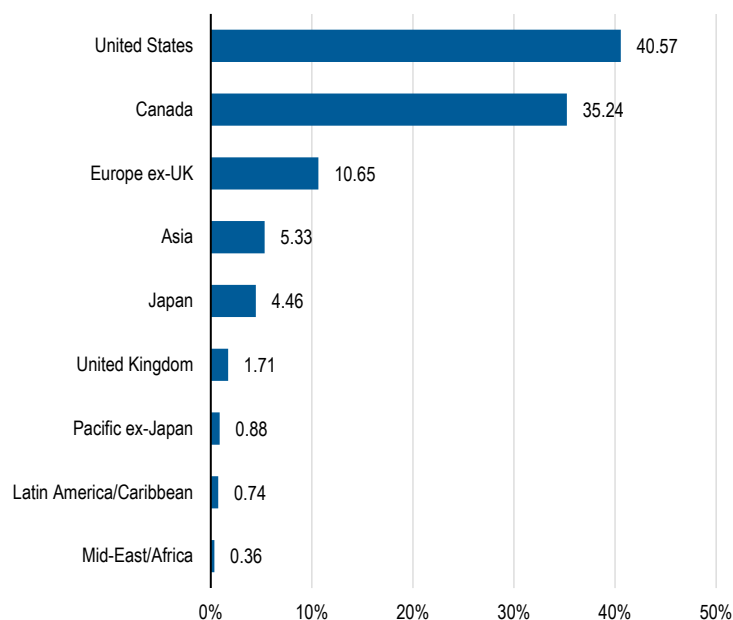
	Portfolio
Dividend Yield (%)* – Equity Level	1.94
Yield to Maturity (%)* – Fixed Income Level	2.13
Internal Yield (%)* – Portfolio Level	1.92
Average Duration (Yr) – Fixed Income Level	6.94
Average Coupon (%) – Fixed Income Level	3.41

*Weighted Average

Portfolio Diversification

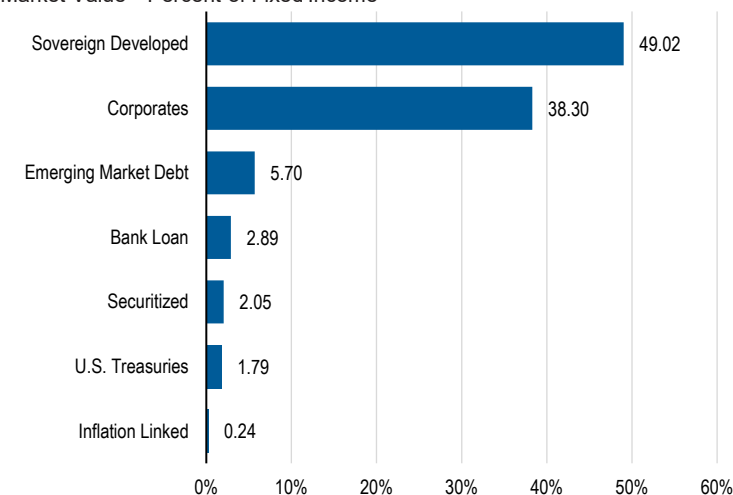
Geographic Allocation

Market Value—Percent of Total



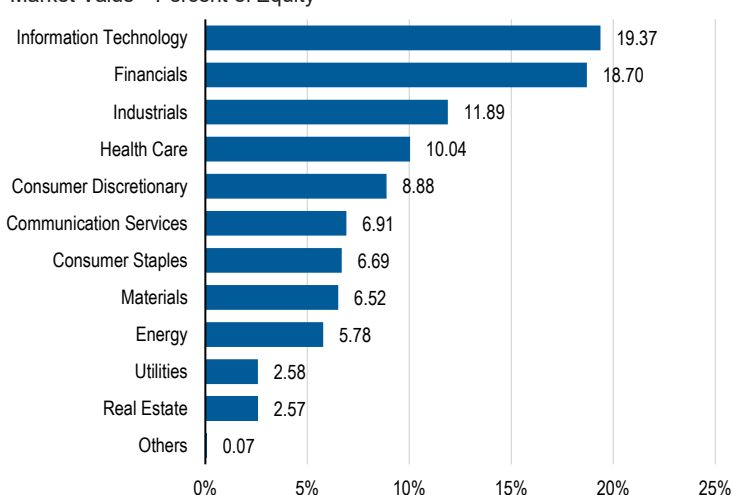
Sector Allocation - Fixed Income

Market Value—Percent of Fixed Income



Sector Allocation - Equity

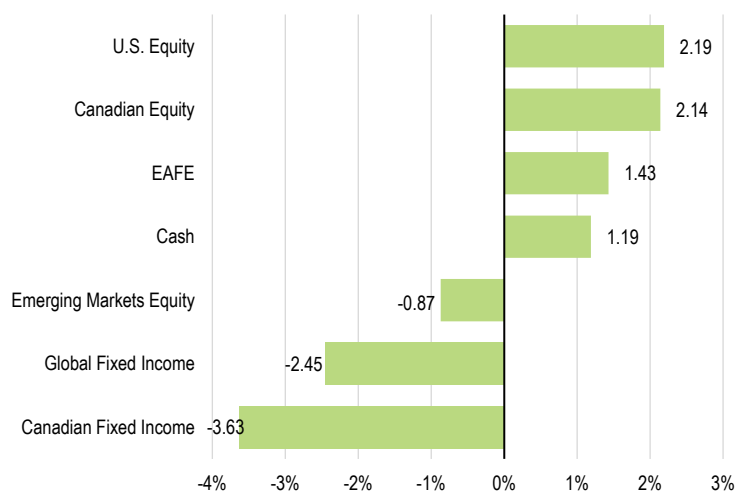
Market Value—Percent of Equity



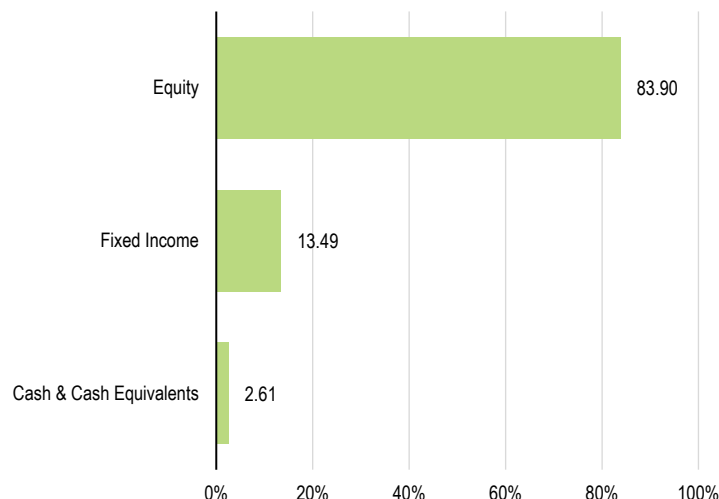
Totals may not add to 100% due to rounding. Asset Class—Portfolio pie chart includes ETFs. All other pie charts “look through” the funds to the underlying security and do not include ETFs. Source: FactSet. Important data provider notices and terms available at www.franklintempletondatasources.com. High Yield: Includes ratings of BB, B, CCC, CC, C, D. Other assets: Non-security holdings include cash, cash equivalents and net receivables. Ratings shown are assigned by one or more Nationally Recognized Statistical Rating Organizations (“NRSRO”), such as Standard & Poor’s, DBRS, Moody’s and Fitch. The ratings are an indication of an issuer’s creditworthiness and typically range from AAA or Aaa (highest) to D (lowest). When ratings from all three agencies are available.

Overweight/Underweight²

Total as % of Total

**Asset Allocation**

Market Value—Percent of Total

**ACTIVE MANAGEMENT AT THE FUND LEVEL**

The table below shows tactical adjustments made to the Portfolio over recent quarters.

	Sept-21	Jun-21	Mar-21	Dec-20
Canadian Equity Funds (%)	23.83	23.25	22.34	21.41
Franklin Bissett Canadian Equity Fund	8.50	8.35	7.86	7.51
Franklin Canadian Core Equity Fund	5.51	5.37	5.25	5.35
Franklin FTSE Canada All Cap Index ETF	9.82	9.54	9.23	8.55
U.S. Equity Funds (%)	38.09	38.93	40.77	39.16
Franklin ClearBridge U.S. Sustainability Leaders Fund	2.68	—	—	—
Franklin FTSE U.S. Index ETF	9.99	10.89	11.23	10.75
Franklin LibertyQT U.S. Equity Index ETF	—	1.74	2.56	5.10
Franklin U.S. Core Equity Fund	9.43	9.52	10.08	9.79
Franklin U.S. Opportunities Fund	4.60	5.53	5.89	5.87
Franklin U.S. Rising Dividends Fund	6.84	7.52	8.00	7.65
SPDR Portfolio S&P 500 Value ETF	4.55	3.73	3.01	—
EAFE (%)	16.67	16.18	15.70	15.45
Franklin ClearBridge Sustainable International Growth Fund	2.56	—	—	—
Franklin FTSE Europe ex. U.K. Index ETF	3.27	3.20	1.98	2.52
Franklin FTSE Japan Index ETF	1.33	1.30	2.72	—
Franklin International Core Equity Fund	6.14	6.21	5.83	5.85
iShares Core MSCI EAFE ETF	3.37	5.46	5.17	7.08
Emerging Markets Equity Funds (%)	6.29	7.06	7.80	8.01
Franklin Emerging Market Core Equity Fund	2.53	2.30	2.22	2.26
iShares Core MSCI Emerging Markets ETF	—	1.06	2.32	2.38
Templeton Emerging Markets Fund	3.77	3.70	3.26	3.36
Canadian Fixed Income Funds (%)	10.37	9.88	9.67	11.02
Franklin Bissett Canadian Government Bond Fund	3.41	3.06	3.33	3.81
Franklin Bissett Core Plus Bond Fund	5.14	5.06	4.98	5.73
Franklin Bissett Short Duration Bond Fund	1.82	1.76	1.36	1.48
Global Fixed Income Funds (%)	3.55	3.32	3.08	3.62
Franklin Brandywine Global Income Optimiser Fund	0.85	0.25	—	—
Franklin Liberty Global Aggregate Bond ETF (CAD Hedged)	2.49	2.56	2.20	2.57
Templeton Global Bond Fund	0.21	0.51	0.88	1.05
Cash & Other Net Assets (%)	1.19	1.38	0.65	1.33

Totals may not add to 100% due to rounding. Asset Allocation—chart includes ETFs. All other charts “look through” the funds to the underlying security and do not include ETFs.

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Michael Greenberg, CFA, CAIA	15	18
Ian M. Riach, CFA	22	35

Glossary

Average Coupon: The par-weighted average of the coupon rates of bonds.

Average Duration: The market-weighted average of the duration of bonds. Duration of each bond is the estimated percentage change in the bond's price for a 1% change in the bond's yield.

Beta: A measure of the magnitude of a portfolio's past share-price fluctuations in relation to the ups and downs of the overall market (or appropriate market index). The market (or index) is assigned a beta of 1.00, so a portfolio with a beta of 1.20 would have seen its share price rise or fall by 12% when the overall market rose or fell by 10%.

Dividend Yield: The market-weighted average yield on securities within the portfolio; should not be used as an indication of the income received from this portfolio.**

Information Ratio: In investing terminology, the ratio of expected return to risk. Usually, this statistical technique is used to measure a manager's performance against a benchmark. This measure explicitly relates the degree by which an investment has beaten the benchmark to the consistency by which the investment has beaten the benchmark.

Internal Yield: The market-weighted average of the portfolio's Yield to Maturity and Dividend Yield.**

Sharpe Ratio: a measure that indicates the average return minus the risk-free return divided by the standard deviation of return on an investment.

Standard Deviation: a quantity calculated to indicate the extent of deviation for a group as a whole.

Yield to Maturity: The market-weighted average of the yields to maturity of bonds.**

**Gross of fees and tax withholding.

Fund Codes

UNIT TRUST SERIES	CDN\$	US\$*
Series A Front End	660	662
Series A DSC	661	663
Series A Low Load	645	644
Series T Front End	3053	—
Series T DSC	3055	—
Series T Low Load	3054	—
Series F	672	673
Series F ADM†	5010	5034
Series FT	5807	—
Series FT ADM†	5808	—
Series I**	679	680

UNIT TRUST SERIES, cont'd	CDN\$	US\$*
Series PA Front End	5481	5484
Series PA DSC	5483	5486
Series PA Low Load	5482	5485
Series PT Front End	5487	—
Series PT DSC	5489	—
Series PT Low Load	5488	—
Series PF	3879	3880
Series PF ADM†	5078	5105
Series PFT	3901	—
Series PFT ADM†	5126	—
Series O	686	687
Series OT	3071	—

* As of February 1, 2017, all U.S.-dollar denominated series, with the exception of Series T-USD, are closed to new investors.

** Series I and V closed to new investors as of November 22, 2016.

† "ADM" refers to the Investment Advisory Services Fee purchase option for series F, FT, PF, PF (Hedged) and PFT. Please see the simplified prospectus for further details.

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Franklin Templeton Investment Solutions (FTIS) is a global team dedicated to global portfolio-based solutions. FTIS is a business name used by Fiduciary Trust Company of Canada.

Franklin Quotential Growth Historical Benchmark:

The benchmark was changed to reflect a reduction in the home bias of the Fund. Effective January 1, 2020, the global equity component of the benchmark - the MSCI All Country World Index - has been retrospectively changed from gross returns to net of returns, to better represent the experience of Canadian investors. Net Returns (NR) include income net of maximum foreign withholding tax when dividends are paid.

For the period January 1, 2017, to December 31, 2019, the blended index was composed of the MSCI AC World TR Index (NR) (55%), S&P/TSX Composite TR Index (25%), FTSE Canada Universe Bond Index (formerly known as DEX Universe Bond Index, 15%) and Bloomberg Barclays Multiverse Bond Index (hedged, 5%).

For the period December 31, 2011, to December 31, 2016, the blended index was composed of the MSCI AC World TR Index (NR) (45%), S&P/TSX Composite TR Index (35%), FTSE Canada Universe Bond Index (15%) and Bloomberg Barclays Multiverse Bond Index (hedged, 5%).

For the period January 1, 2009, to December 31, 2011, the blended index was composed of the MSCI AC World TR Index (NR) (45%), S&P/TSX Composite TR Index (35%) and DEX Universe Bond Index (20%).

For the period June 1, 2006, to December 31, 2008, the blended index was composed of the MSCI EAFE TR Index (15%), S&P 500 TR Index (30%), S&P/TSX Composite TR Index (35%) and DEX Universe Bond Index (20%).

For the period April 1, 2005, to May 31, 2006, the blended index was composed of the MSCI EAFE TR Index (14%), S&P 500 TR Index (44%), S&P/TSX Composite TR Index (22%) and Scotia Capital Markets (SCM) Index (20%).

For the period August 19, 2002, to March 31, 2005, the blended index was composed of the MSCI EAFE TR Index (8%), S&P 500 TR Index (50%), S&P/TSX Composite TR Index (22%) and SCM Index (20%).



Franklin Templeton Canada
200 King Street West, Suite 1500
Toronto, Ontario M5H 3T4
Tel: 800.897.7280
Fax: 416.364.6643
franklintempleton.ca