



FRANKLIN TEMPLETON
INVESTMENTS

December 31, 2017

Annual Management Report of Fund Performance



This annual management report of fund performance contains financial highlights but does not contain the complete financial statements of the investment fund. If you have not received a copy of the annual financial statements with this report, you can get a copy of the annual financial statements at your request, and at no cost, by calling 1.800.387.0830, by writing to us at 5000 Yonge Street, Suite 900, Toronto ON M2N 0A7, or by visiting our website at www.franklintempleton.ca or SEDAR at www.sedar.com. Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Co-Lead Manager

Garey J. Aitken, CFA, MBA

Franklin Bissett Investment Management, part
of Franklin Templeton Investments Corp.

Industry Experience: 25 years

Location: Calgary, AB

Co-Lead Manager

Thomas O’Gorman, CFA, MBA

Franklin Bissett Investment Management, part
of Franklin Templeton Investments Corp.

Industry Experience: 28 years

Location: Calgary, AB

Co-Lead Manager

Darcy Briggs, CFA, CGA

Franklin Bissett Investment Management, part
of Franklin Templeton Investments Corp.

Industry Experience: 24 years

Location: Calgary, AB

Co-Lead Manager

Tim Caulfield, CFA

Franklin Bissett Investment Management, part
of Franklin Templeton Investments Corp.

Industry Experience: 17 years

Location: Calgary, AB

INVESTMENT OBJECTIVE AND STRATEGIES

Franklin Bissett Monthly Income and Growth Fund (the “Fund”) seeks a balance of income and capital appreciation by investing primarily in a diversified portfolio of income-generating Canadian, US and global equities, equity-related securities and fixed income securities.

The Fund has, under normal market conditions, a neutral asset mix exposure of 55% equities and 45% fixed income. The portfolio advisor (the “portfolio manager”) may review and adjust the optimal asset mix by 20 percentage points, in its sole discretion, depending on the outlook and relative attractiveness of expected risk-adjusted returns from each asset class over time. The Fund typically invests up to 30% of its assets in foreign securities, but may exceed this limit from time to time.

In its equity component, the Fund invests primarily in North American equity securities. The Fund invests in dividend-paying or income-producing equity securities, including common and preferred shares, real estate investment trusts (REITs), income trusts and royalties. The portfolio manager seeks to invest in equity securities of high-quality businesses with long-term profitability and growth profiles, that have a proven ability to deliver a consistent and growing level of dividends over time.

In its fixed income component, the Fund invests in Canadian and foreign fixed income securities. The portfolio manager employs a multisector approach by investing in a broad range of fixed income and floating rate securities, including government and corporate bonds, convertible bonds, bonds backed by mortgages and other financial assets, and corporate loans. The Fund invests in debt securities that are

rated high quality or below investment grade—sometimes called “high yield” securities. The portfolio manager may invest in Canadian federal and provincial government bonds, debentures and short-term notes.

RISK

The risks of investing in the Fund remain as stated in the prospectus. The Fund is suitable for investors who are willing to accept low investment risk, seeking the potential for attractive, risk-adjusted returns and sustainable monthly cash flow, looking to invest in one fund that provides predominantly Canadian equity exposure—complemented by US and global equity and fixed income exposure—and planning to hold their investment for the medium to long term.

RESULTS OF OPERATIONS

As at December 31, 2017, total net asset value of the Fund was \$151.5 million, an increase of 5.1% from December 31, 2016. This was primarily driven by an increase of \$6.1 million in net assets from operations and \$1.8 million in net subscriptions. The Fund paid out \$583,000 in cash distributions to unitholders.

During the past year, the Fund’s Series A units generated total returns of 2.9%. Over the same time period, the S&P/TSX Composite Total Return Index (the “Index”), returned 9.1%. As the Fund is composed of a blend of income-generating equities, fixed income and other types of securities, it employs a custom benchmark, the Custom Franklin Bissett Monthly Income and Growth Benchmark (the “Benchmark”), which returned 6.7% over the period in review. The performance of the Fund’s other series is similar to that of its Series A units, except for differences in expense structure. For the return of the Fund’s other series (if applicable), please refer to the “Past Performance” section.

The Fund experienced negative security selection and interaction effect in 2017, while allocation effect was relatively neutral. Negative security selection and interaction was driven by performance in US and Canadian equities, offset by positive security selection and interaction in Canadian fixed income. From an absolute-return standpoint, performance was particularly driven by strength in Canadian equity and Canadian fixed income, but US equity and US fixed income all contributed positive absolute returns for the year.

The 2017 calendar year marked a period of exceptionally low volatility, compressing since the Spring to finish the year near record-low levels. Financial markets benefitted from synchronized global economic growth, accommodative global central bank policies, and passage of US tax reform legislation, while shrugging off continued monetary policy tightening by the US Federal Reserve (Fed) and uncertainty on many fronts, including the US presidential election probe, North American Free Trade Agreement negotiations, Fed leadership turnover and increased tension on the Korean Peninsula.

Equity markets moved to establish new highs with regular frequency, while benchmark government bond yields moved higher following passage of the US tax reform bill. The Organization of the Petroleum

Exporting Countries extended its production cuts to the end of 2018, driving oil prices sharply higher: West Texas Intermediate rose 17% to finish the quarter near US\$61/barrel.

Financial market volatility was very low for the third consecutive quarter and was driven by solid earnings momentum, an improved global macroeconomic landscape and investor complacency across virtually all financial markets. The Merrill Lynch Option Volatility Estimate Index, a measure of interest rate volatility, established a new record low over the quarter, while the Chicago Board Options Exchange Volatility Index rose slightly off depressed levels to end the quarter marginally higher. Although the US-dollar index fell approximately 1.0% during the quarter, G7 currency market volatility was also muted, rising only slightly at quarter end.

Global central banks gradually tightened monetary policy further over the year. The Fed increased interest rates three times and started to reduce its balance sheet. The Bank of Canada (BOC) also changed direction, hiking twice, while the Bank of England moved once. The European Central Bank cut the pace of asset purchases early in the year, announcing further reductions would start in 2018 with a termination by September 2018. Financial markets have discounted continuation of central bank tightening over the course of 2018.

Gross domestic product (GDP) in the United States grew in excess of 3% quarter-over-quarter during the third quarter. Despite the recent strength, US year-over-year GDP growth accelerated slightly to 2.3%, due to early-year weakness in activity. However, US growth is expected to benefit from recent tax cuts. Canadian economic growth slowed materially into year end. Canadian third-quarter GDP growth moved to 1.7% quarter-over-quarter after four solid quarters of growth. The portfolio manager expects that Canadian growth will revert to a post-crisis 2% trend, as both consumer debt and housing market imbalances weigh on growth. The portfolio manager believes that these factors, combined with low inflation and trade policy uncertainty, suggest that the BOC can afford to be patient, likely lagging the Fed on future rate hikes.

The Canadian equity Index finished 2017 on a high note, advancing 4.5% in the fourth quarter. For the full year, the Canadian equity market increased 9.1%, marking the second consecutive annual increase for Canadian equities, which have posted positive total returns in seven of the past nine years. Given the strength, the Index set a new all-time high on December 28, 2018. The S&P 500 Index also finished 2017 strongly, advancing 6.6% in US-dollar terms over the fourth quarter. Full-year returns also outpaced the Canadian equity market, with US equities 21.8% higher over the year, setting a new all-time high on December 18, 2017.

The 10-year Canadian government bond yield finished the year at 2.05%, up 33 basis points (bps) over the year, while 30-year bonds were relatively unchanged, falling 3 bps to close out 2017 at 2.28%. The FTSE TMX Canada Universe Bond Index gained 2.5% for the year, while the FTSE TMX Canada All Corporate Bond Index returned 3.4%. The corporate bond index is shorter in duration and has a higher

running yield than the broader domestic bond market, and credit spread compression fully offset the move higher in benchmark government rates, leading corporates to outperform government bonds.

Index performance comparison information is provided for reference only. It is important to note that the Fund's return reflects the effect of fees and expenses for professional management, while an index does not have such costs.

Average net assets of the series of the Fund that bear expenses have increased for the year ended December 31, 2017. This has resulted in a corresponding increase in expenses. Income received from investments held, excluding net realized and/or unrealized gain (loss) on investments and derivatives, increased due to the results of the Fund's investment activities, including, but not limited to, those previously discussed for the period in review.

RECENT DEVELOPMENTS

The Fund's overall weighting in Canadian and US equities remains higher than the Benchmark weighting. The portfolio manager continues to believe there is greater longer-term return potential for equities relative to fixed income. With ongoing dislocations presenting attractive opportunities in equity markets, the portfolio manager believes it will be able to continue to build on the Fund's long-term track record of superior absolute, relative and risk-adjusted returns. While equity markets continue to present attractive investment opportunities in certain sectors and individual circumstances, their strong recent advance naturally tempers the portfolio manager's enthusiasm for continued near-term absolute returns. The Fund's fixed income allocation continues to be positioned with a slightly defensive stance with respect to duration. From a valuation and risk perspective, however, the portfolio manager believes it is still prudent to allocate fixed income portfolios with an emphasis on credit, where there is more yield, shorter duration and more cushion against volatility. Fundamentals in credit are still supportive even though the current business cycle is in its advanced stage.

The Fund ended the quarter with an approximate 29.2% allocation to US equity and US fixed income combined. The portfolio manager operates with a longer-term limit to non-Canadian assets of 30%, which is the maximum allowable level for domestic neutral balanced funds. In addition to the diversification benefits of exposure to non-Canadian equity and fixed income strategies, the portfolio manager believes currency diversification can meaningfully benefit the Fund over time.

FORWARD-LOOKING STATEMENTS

Investors should take note that certain statements in this report about a fund, including its strategy and expected future performance, are forward-looking. Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as "may," "will," "should," "could," "expect," "anticipate," "intend," "plan," "believe," or "estimate" or other similar expressions. Any statement that is made concerning future strategies or performance is also a forward-looking statement. Statements that look

forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the forward-looking statements.

The forward-looking statements are by their nature based on numerous assumptions, which include, amongst other things, that (i) the Fund can attract and maintain investors and has sufficient capital under management to effect its investment strategies, (ii) the investment strategies will produce the results intended by the portfolio manager, and (iii) the markets will react and perform in a manner consistent with the investment strategies. Although the forward-looking statements contained herein are based upon what the portfolio manager believes to be reasonable assumptions, the portfolio manager cannot assure that actual results will be consistent with these forward-looking statements.

Forward-looking statements are not guarantees of future performance. Any number of factors could contribute to differing results, including, among other things, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings and catastrophic events. This list of factors is not exhaustive. Investors should not place undue reliance on forward-looking information and should be aware that the Fund may not update any forward-looking statements, whether as a result of new information, future events or otherwise.

RELATED PARTY TRANSACTIONS

The Manager is an indirect wholly-owned subsidiary of Franklin Resources, Inc., a global investment management organization known as Franklin Templeton Investments. The Manager is the manager, registrar and transfer agent and a principal distributor of the Fund. The Manager provides or arranges for the provision of these services for day-to-day Fund operations, including the marketing, promotion and distribution of the Fund and portfolio advisory services. In consideration of these management and portfolio advisory services, the Fund pays the Manager a monthly management fee plus applicable taxes, based on the average net asset value of each series of the Fund (except Series O and OT, as applicable), calculated daily, as set out under Management Fees below. During the year ended December 31, 2017, the Fund paid management fees of \$1.3 million (2016–\$507,000).

Franklin Templeton Services, LLC (FTS) provides the Manager with fund accounting and portfolio valuation services in connection with the Fund, and provides certain back office administration services to the Manager. The Administration Fee, as discussed below, covers the cost of the services provided by FTS.

The Manager pays the operating expenses of the Fund, other than certain fund costs—which include, but are not limited to, the cost of compliance with new governmental and regulatory requirements, fees and expenses of the Fund's Independent Review Committee (IRC), borrowing and interest costs and investor meeting costs (as permitted by Canadian securities regulation)—in exchange for the payment by the Fund of an annual fixed-rate administration fee of 0.19% plus applicable

taxes, applied against the average daily net assets of the Fund (“Administration Fee”), except for Series PF and PFT, which have an annual Administration Fee of 0.15%, and Series O and OT, which have no annual Administration Fee. The Manager will pay all operating expenses of Series O and OT, as applicable, as part of its agreement with each investor. The Manager may, at its discretion, waive a portion of a series' Administration Fee or absorb certain fund costs. During the year ended December 31, 2017, the Fund paid Administration Fees of \$149,000 (2016–\$58,000).

During the year ended December 31, 2017, the Manager waived fund costs of \$1,000 (2016–\$1,000). The decision to waive fees or absorb expenses is made at the discretion of the Manager.

As at December 31, 2017, Franklin Bissett Canadian Balanced Fund held 45% of the Fund.

Portfolio Advisor

Franklin Bissett Investment Management (the “Portfolio Advisor”), part of the Manager, provides investment analysis and recommendations and executes or arranges for brokers to execute portfolio transactions.

Principal Distributor

As a principal distributor of the Fund, the Manager markets the Fund and arranges for the sale of the Fund through dealers across Canada. The Manager may retain companies to assist in the sale of certain series of units of the Fund.

The Manager's affiliate, FTC Investor Services Inc. (“FTC ISI”), also acts as a principal distributor for Series F, O, OT, FT, PF and PF (Hedged) units of the Fund, as applicable.

For acting as a principal distributor of the applicable series, FTC ISI receives an inter-company service fee of 0.20% of the assets under management of the applicable series from the Manager with respect to those series of units.

Registrar and Transfer Agent

In addition to management and portfolio advisory services, the Manager acts as the registrar and transfer agent of the Fund. These services are in the normal course of operations and are covered by the Administration Fee paid by the Fund to the Manager.

Standing Instructions from the Independent Review Committee

The Manager relied on standing instructions from the IRC with respect to the allocation of any operating expenses not covered by the Administration Fee. The Manager relied, or may rely, on standing instructions from the IRC in respect of securities trades amongst mutual funds, investment funds or managed accounts managed by the Manager or an affiliate of the Manager. In both cases, the standing instructions require the Manager to comply with the policies and procedures presented to the IRC with respect to the above matters and to provide periodic reports to the IRC in accordance with NI 81-107.

MANAGEMENT FEES

A portion of the management fee paid by the Fund to the Manager is for trail fees and sales commissions the Manager pays to dealers (“Dealer Compensation”). The trail fees are a percentage of the daily average net asset value of each series of the Fund, which is held by the dealer’s clients. The remaining portion of the management fee is used to pay for portfolio advisory and administrative services related to the provision of portfolio advisory services. The table below outlines the Fund’s annual management fee, as well as the portion of the management fee used to pay for Dealer Compensation and for portfolio advisory services as an approximate percentage of the management fee for each series:

Series	Management Fee (%)	Dealer Compensation (%)*	Investment management, investment management expenses, and other (%)
A	1.75	87.22	12.78
F	0.75	–	100.00
I	1.35	55.56	44.44
PF	0.65	–	100.00
PFT	0.65	–	100.00
T	1.75	100.00	–

*Dealer compensation may include other fees related to distribution, which are not payable directly to dealers.

The management and administration fees for Series O are paid for by the unitholder directly to the Manager as follows:

- First C\$200,000 to under \$2.5 million.—0.80%
- Next C\$2.5 million to under \$5 million—0.75%
- C\$5 million and over—0.65%

Certain institutional investors may negotiate the management and administration fees by written agreement with Franklin Templeton Investments.

MANAGEMENT REPORT OF FUND PERFORMANCE

Summary of Investment Portfolio (AS AT DECEMBER 31, 2017)

REGIONAL WEIGHTINGS (%)*

North America	96.78
Europe	1.90
Latin America & Caribbean	0.19
Supranational	0.18
Australia & New Zealand	0.12

SECTOR WEIGHTINGS (%)*

Financials	20.27
Energy	9.20
Consumer Staples	7.81
Industrials	6.44
Consumer Discretionary	5.25
Health Care	3.69
Information Technology	3.42
Utilities	2.43
Telecommunication Services	2.04
Materials	0.97

ASSET CLASS WEIGHTINGS (%)

Common Stocks	56.56
Canadian Corporate Bonds	15.89
Canadian Government Bonds	12.62
Foreign Corporate Bonds	8.88
Preferred Stocks	4.96
Supranational Bonds	0.18
Foreign Government Bonds	0.08
Short-term securities and all other assets, net	0.83

TOP 25 HOLDINGS (%)

Brookfield Asset Management Inc., A	2.94
Canadian National Railway Co.	2.53
Canadian Imperial Bank of Commerce	2.14
Restaurant Brands International Inc.	2.07
Royal Bank of Canada	2.03
Canadian Pacific Railway Ltd.	1.96
Bank of Montreal	1.88
The Toronto-Dominion Bank	1.87
Microsoft Corp.	1.76
Intel Corp.	1.66
McDonald's Corp.	1.65
Bank of Nova Scotia	1.58
JPMorgan Chase & Co.	1.45
Johnson & Johnson	1.43
Duke Energy Corp.	1.33
Canadian Natural Resources Ltd.	1.29
Onex Corp.	1.27
The Coca-Cola Co.	1.22
Wells Fargo & Co.	1.22
United Parcel Service Inc., B	1.22
Pfizer Inc.	1.21
General Mills Inc.	1.20
The Procter & Gamble Co.	1.20
Enbridge Inc.	1.20
Alimentation Couche-Tard Inc., B	1.17

TOTAL NET ASSET VALUE: \$151,487,000

* Excluding short-term securities and all other assets, net.

Above is an outline of the investments held in the Fund as a percentage of the Fund's net assets. Due to ongoing portfolio transactions, the investments and percentages may have changed by the time you purchase units of the Fund. The top 25 holdings are made available quarterly, 60 days after the quarter-end. To obtain a copy, please contact a member of our client services team at 1.800.387.0830 or visit www.franklintempleton.ca.

FRANKLIN BISSETT MONTHLY INCOME AND GROWTH FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series A (AS AT DECEMBER 31, 2017)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2017	2016	2015
Net assets – beginning of period	\$10.24	\$9.76	\$10.00
Increase (decrease) from operations:			
Total revenue	0.39	0.42	0.23
Total expenses	(0.22)	(0.22)	(0.12)
Realized gains (losses) for the period	0.14	0.20	0.04
Unrealized gains (losses) for the period	(0.02)	0.17	(0.10)
Total increase (decrease) from operations (2)	0.29	0.57	0.05
Distributions:			
From income (excluding dividends)	(0.15)	(0.14)	(0.11)
From dividends	(0.18)	(0.17)	(0.09)
From capital gains	(0.14)	(0.05)	(0.07)
Returns of capital	–	–	–
Total annual distributions (3)	(0.47)	(0.36)	(0.27)
Net assets – end of period	\$10.07	\$10.24	\$9.76
Ratios and supplemental data:	2017	2016	2015
Total net asset value (\$ millions) (1)	\$53.55	\$54.13	\$1.26
Number of units outstanding	5,315,917	5,286,488	129,035
Management expense ratio (2)	2.14%	2.15%	2.20%
Management expense ratio before waivers or absorptions	2.14%	2.15%	2.20%
Trading expense ratio (3)	0.03%	0.09%	0.06%
Portfolio turnover rate (4)	75.90%	128.99%	37.64%
Net asset value per unit	\$10.07	\$10.24	\$9.76

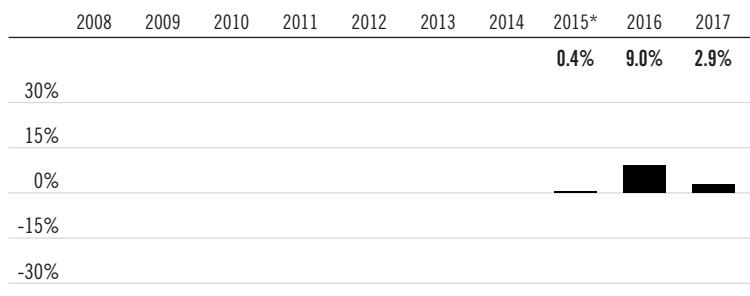
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



*2015 Series A return: June 22 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2017. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series A Units	2.9%	N/A	N/A	N/A	4.8%
Custom Franklin Bissett Monthly Income and Growth Benchmark	6.7%	N/A	N/A	N/A	6.2%
S&P/TSX Composite TR Index	9.1%	N/A	N/A	N/A	4.4%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

FRANKLIN BISSETT MONTHLY INCOME AND GROWTH FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series F (AS AT DECEMBER 31, 2017)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2017	2016	2015
Net assets – beginning of period	\$10.41	\$9.82	\$10.00
Increase (decrease) from operations:			
Total revenue	0.40	0.42	0.25
Total expenses	(0.11)	(0.11)	(0.06)
Realized gains (losses) for the period	0.14	0.18	0.04
Unrealized gains (losses) for the period	(0.06)	0.26	(0.03)
Total increase (decrease) from operations (2)	0.37	0.75	0.20
Distributions:			
From income (excluding dividends)	(0.15)	(0.15)	(0.11)
From dividends	(0.18)	(0.17)	(0.09)
From capital gains	(0.14)	(0.05)	(0.07)
Returns of capital	–	–	–
Total annual distributions (3)	(0.47)	(0.37)	(0.27)
Net assets – end of period	\$10.36	\$10.41	\$9.82
Ratios and supplemental data:	2017	2016	2015
Total net asset value (\$ millions) (1)	\$2.37	\$1.02	\$0.13
Number of units outstanding	228,485	98,371	13,364
Management expense ratio (2)	1.03%	1.04%	1.07%
Management expense ratio before waivers or absorptions	1.03%	1.04%	1.07%
Trading expense ratio (3)	0.03%	0.09%	0.06%
Portfolio turnover rate (4)	75.90%	128.99%	37.64%
Net asset value per unit	\$10.36	\$10.41	\$9.82

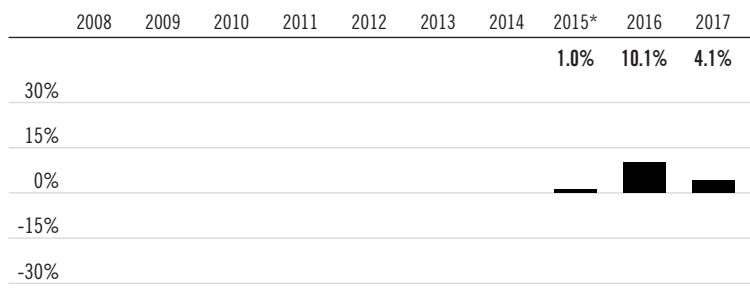
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



*2015 Series F return: June 22 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2017. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series F Units	4.1%	N/A	N/A	N/A	6.0%
Custom Franklin Bissett Monthly Income and Growth Benchmark	6.7%	N/A	N/A	N/A	6.2%
S&P/TSX Composite TR Index	9.1%	N/A	N/A	N/A	4.4%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

FRANKLIN BISSETT MONTHLY INCOME AND GROWTH FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series I (AS AT DECEMBER 31, 2017)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2017	2016	2015
Net assets – beginning of period	\$10.32	\$9.79	\$10.00
Increase (decrease) from operations:			
Total revenue	0.40	0.43	0.23
Total expenses	(0.18)	(0.18)	(0.09)
Realized gains (losses) for the period	0.15	0.21	0.04
Unrealized gains (losses) for the period	(0.06)	0.14	(0.11)
Total increase (decrease) from operations (2)	0.31	0.60	0.07
Distributions:			
From income (excluding dividends)	(0.15)	(0.15)	(0.11)
From dividends	(0.18)	(0.17)	(0.09)
From capital gains	(0.14)	(0.05)	(0.07)
Returns of capital	–	–	–
Total annual distributions (3)	(0.47)	(0.37)	(0.27)
Net assets – end of period	\$10.19	\$10.32	\$9.79
Ratios and supplemental data:	2017	2016	2015
Total net asset value (\$ millions) (1)	\$2.51	\$3.51	\$–*
Number of units outstanding	246,377	340,388	500
Management expense ratio (2)	1.72%	1.72%	1.74%
Management expense ratio before waivers or absorptions	1.72%	1.72%	1.74%
Trading expense ratio (3)	0.03%	0.09%	0.06%
Portfolio turnover rate (4)	75.90%	128.99%	37.64%
Net asset value per unit	\$10.19	\$10.32	\$9.79

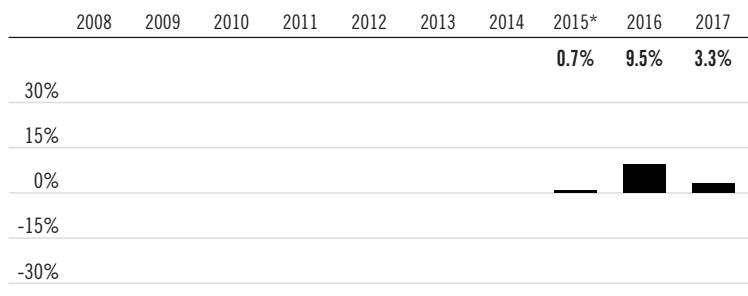
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PAST PERFORMANCE

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Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



*2015 Series I return: June 22 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2017. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series I Units	3.3%	N/A	N/A	N/A	5.3%
Custom Franklin Bissett Monthly Income and Growth Benchmark	6.7%	N/A	N/A	N/A	6.2%
S&P/TSX Composite TR Index	9.1%	N/A	N/A	N/A	4.4%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

FRANKLIN BISSETT MONTHLY INCOME AND GROWTH FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series 0 (AS AT DECEMBER 31, 2017)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2017	2016	2015
Net assets – beginning of period	\$10.58	\$9.87	\$10.00
Increase (decrease) from operations:			
Total revenue	0.41	0.42	0.23
Total expenses	–	–	–
Realized gains (losses) for the period	0.15	0.16	0.04
Unrealized gains (losses) for the period	(0.02)	0.39	(0.11)
Total increase (decrease) from operations (2)	0.54	0.97	0.16
Distributions:			
From income (excluding dividends)	(0.15)	(0.15)	(0.11)
From dividends	(0.19)	(0.17)	(0.10)
From capital gains	(0.14)	(0.05)	(0.07)
Returns of capital	–	–	–
Total annual distributions (3)	(0.48)	(0.37)	(0.28)
Net assets – end of period	\$10.63	\$10.58	\$9.87
Ratios and supplemental data:	2017	2016	2015
Total net asset value (\$ millions) (1)	\$81.92	\$75.48	\$30.32
Number of units outstanding	7,706,684	7,137,507	3,070,864
Management expense ratio (2)	–	–	–
Management expense ratio before waivers or absorptions	–	–	–
Trading expense ratio (3)	0.03%	0.09%	0.06%
Portfolio turnover rate (4)	75.90%	128.99%	37.64%
Net asset value per unit	\$10.63	\$10.58	\$9.87

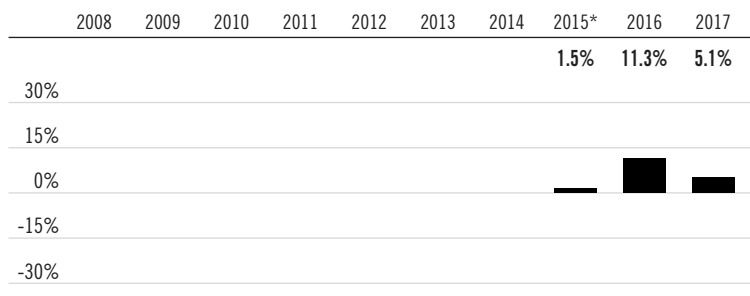
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



*2015 Series 0 return: June 22 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2017. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series 0 Units	5.1%	N/A	N/A	N/A	7.1%
Custom Franklin Bissett Monthly Income and Growth Benchmark	6.7%	N/A	N/A	N/A	6.2%
S&P/TSX Composite TR Index	9.1%	N/A	N/A	N/A	4.4%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

FRANKLIN BISSETT MONTHLY INCOME AND GROWTH FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
 Series PF (AS AT DECEMBER 31, 2017)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2017	2016	2015
Net assets – beginning of period	\$10.43	\$9.83	\$10.00
Increase (decrease) from operations:			
Total revenue	0.40	0.44	0.27
Total expenses	(0.10)	(0.09)	(0.05)
Realized gains (losses) for the period	0.14	0.26	0.08
Unrealized gains (losses) for the period	(0.02)	0.53	(0.14)
Total increase (decrease) from operations (2)	0.42	1.14	0.16
Distributions:			
From income (excluding dividends)	(0.15)	(0.15)	(0.11)
From dividends	(0.18)	(0.17)	(0.09)
From capital gains	(0.14)	(0.05)	(0.07)
Returns of capital	–	–	–
Total annual distributions (3)	(0.47)	(0.37)	(0.27)
Net assets – end of period	\$10.39	\$10.43	\$9.83
Ratios and supplemental data:	2017	2016	2015
Total net asset value (\$ millions) (1)	\$5.93	\$4.68	\$0.07
Number of units outstanding	570,314	448,336	7,130
Management expense ratio (2)	0.91%	0.90%	0.91%
Management expense ratio before waivers or absorptions	0.91%	0.90%	0.91%
Trading expense ratio (3)	0.03%	0.09%	0.06%
Portfolio turnover rate (4)	75.90%	128.99%	37.64%
Net asset value per unit	\$10.39	\$10.43	\$9.83

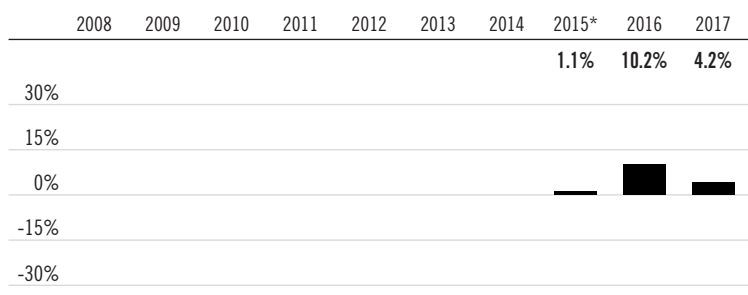
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



*2015 Series PF return: June 22 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2017. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series PF Units	4.2%	N/A	N/A	N/A	6.1%
Custom Franklin Bissett Monthly Income and Growth Benchmark	6.7%	N/A	N/A	N/A	6.2%
S&P/TSX Composite TR Index	9.1%	N/A	N/A	N/A	4.4%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

FRANKLIN BISSETT MONTHLY INCOME AND GROWTH FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
 Series PFT (AS AT DECEMBER 31, 2017)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2017	2016
Net assets – beginning of period	\$15.02	\$15.00
Increase (decrease) from operations:		
Total revenue	0.57	0.17
Total expenses	(0.14)	(0.03)
Realized gains (losses) for the period	0.18	0.07
Unrealized gains (losses) for the period	(0.04)	0.05
Total increase (decrease) from operations (2)	0.57	0.26
Distributions:		
From income (excluding dividends)	(0.21)	(0.02)
From dividends	(0.26)	(0.02)
From capital gains	(0.20)	(0.08)
Returns of capital	(0.47)	(0.11)
Total annual distributions (3)	(1.14)	(0.23)
Net assets – end of period	\$14.50	\$15.02
Ratios and supplemental data:	2017	2016
Total net asset value (\$ millions) (1)	\$0.38	\$0.12
Number of units outstanding	26,221	7,759
Management expense ratio (2)	0.92%	0.90%
Management expense ratio before waivers or absorptions	0.92%	0.90%
Trading expense ratio (3)	0.03%	0.09%
Portfolio turnover rate (4)	75.90%	128.99%
Net asset value per unit	\$14.50	\$15.02

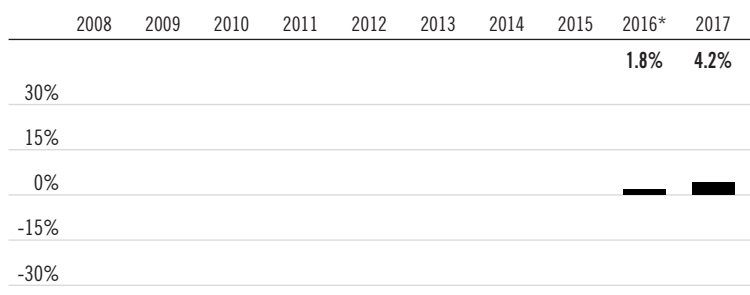
For explanatory notes, please refer to "Explanatory Notes to Financial Highlights" at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



*2016 Series PFT return: October 3 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2017. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series PFT Units	4.2%	N/A	N/A	N/A	4.9%
Custom Franklin Bissett Monthly Income and Growth Benchmark	6.7%	N/A	N/A	N/A	6.7%
S&P/TSX Composite TR Index	9.1%	N/A	N/A	N/A	11.3%

‡ For a definition of the benchmark(s), please refer to "Benchmark(s) Information" at the end of the section.

FRANKLIN BISSETT MONTHLY INCOME AND GROWTH FUND
MANAGEMENT REPORT OF FUND PERFORMANCE
Series T (AS AT DECEMBER 31, 2017)

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods ended December 31.

Net assets per unit (1)	2017	2016	2015
Net assets – beginning of period	\$14.71	\$14.43	\$15.00
Increase (decrease) from operations:			
Total revenue	0.56	0.61	0.33
Total expenses	(0.31)	(0.32)	(0.17)
Realized gains (losses) for the period	0.21	0.30	0.06
Unrealized gains (losses) for the period	(0.06)	0.15	(0.16)
Total increase (decrease) from operations (2)	0.40	0.74	0.06
Distributions:			
From income (excluding dividends)	(0.21)	(0.21)	(0.16)
From dividends	(0.25)	(0.25)	(0.14)
From capital gains	(0.19)	(0.08)	(0.11)
Returns of capital	(0.46)	(0.42)	(0.21)
Total annual distributions (3)	(1.11)	(0.96)	(0.62)
Net assets – end of period	\$14.02	\$14.71	\$14.43
Ratios and supplemental data:	2017	2016	2015
Total net asset value (\$ millions) (1)	\$4.83	\$5.22	\$–*
Number of units outstanding	344,635	354,457	337
Management expense ratio (2)	2.15%	2.14%	2.20%
Management expense ratio before waivers or absorptions	2.15%	2.14%	2.20%
Trading expense ratio (3)	0.03%	0.09%	0.06%
Portfolio turnover rate (4)	75.90%	128.99%	37.64%
Net asset value per unit	\$14.02	\$14.71	\$14.43

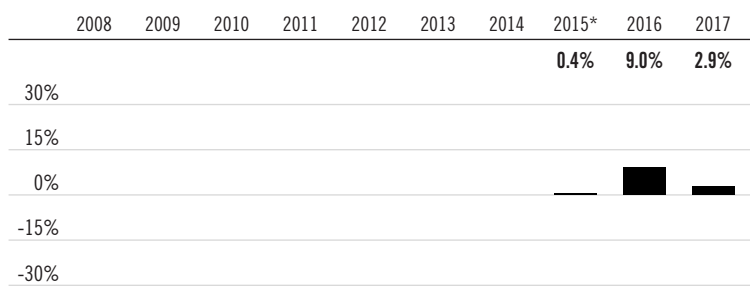
For explanatory notes, please refer to “Explanatory Notes to Financial Highlights” at the end of the section.

PAST PERFORMANCE

The following information assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

The bar chart shows the Fund's annual performance for each of the years shown, and illustrates how the investment Fund's performance has changed from year to year. In percentage terms, the bar chart indicates how much an investment made on January 1 would have grown or decreased by the December 31 of each year shown.



*2015 Series T return: June 22 to December 31

Annual Compound Returns

The table shows the annual compound total returns for each of the periods shown ended December 31, 2017. The returns are compared against the benchmark(s) over the same period.‡

	1 Year	3 Years	5 Years	10 Years	Since Inception
Series T Units	2.9%	N/A	N/A	N/A	4.8%
Custom Franklin Bissett Monthly Income and Growth Benchmark	6.7%	N/A	N/A	N/A	6.2%
S&P/TSX Composite TR Index	9.1%	N/A	N/A	N/A	4.4%

‡ For a definition of the benchmark(s), please refer to “Benchmark(s) Information” at the end of the section.

NOTES TO FINANCIAL HIGHLIGHTS

Net Assets per Unit:

- (1) This information is derived from the Fund's audited annual financial statements. In the period a fund or series is established, the financial information is provided from the date of inception to the end of the period. In cases where the net assets per unit presented in the financial statements differ from the net asset value calculated for Fund pricing purposes, an explanation of these differences can be found in the notes to the financial statements.
- (2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease in net assets from operations is based on the weighted average number of units outstanding over the fiscal period. This table is not intended to be a reconciliation of opening and closing net assets per unit.
- (3) Distributions were paid in cash or reinvested in additional units of the Fund or both, and exclude distributions of management fee reductions to unitholders.

Ratios and Supplemental Data:

- (1) This information is provided as at the period-end of the year shown.
- (2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of net asset value during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling each security in its portfolio once in the course of the relevant period. The higher the portfolio turnover rate in the period, the greater the trading costs payable by the Fund and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

OTHER FUND INFORMATION

Reported year-by-year returns for past years may be revised, based on the results of recalculations, audits and/or other historical review processes. Such revisions are considered immaterial to performance disclosure unless otherwise stated.

Series I and V, as applicable, are presently capped (closed to new investors). Investors who currently own units of Series I and Series V may continue to purchase additional units in those series. These series may become available for purchase by new investors at the discretion of the Manager.

BENCHMARK(S) INFORMATION

Custom Franklin Bissett Monthly Income and Growth Benchmark is a blended index composed of the FTSE TMX Canada Universe Bond Index (45%), S&P/TSX Composite Total Return Index (35%) and S&P 500 Total Return Index (20%).

S&P/TSX Composite TR Index measures the total return (dividends are reinvested) of the 300 largest Canadian companies, in terms of three-year average quoted market value, listed on the TSX.