

## Product Profile

### Product Details<sup>1</sup>

Fund Assets	\$254,383,507.72
Fund Inception Date	12/22/2003
Base Currency	CAD
Morningstar Category™	Canadian Dividend & Income Equity
Distribution Frequency	Monthly

### Risk Classification<sup>2</sup>

Low	Low to Medium	Medium	Medium to High	High
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### 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.

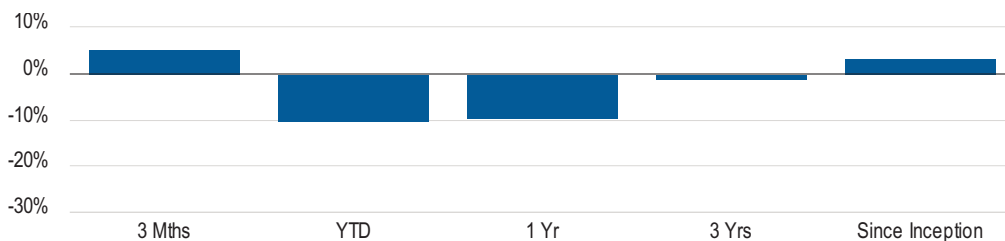
### Performance Data<sup>3,4</sup>

#### Average Annual Total Returns<sup>5</sup> (%)

	3 Mths	YTD	1 Yr	3 Yrs	Since Inception (04/25/2016)
Series F	5.32	-10.11	-9.50	-1.08	3.21

#### Management Expense Ratio (as of 06/30/2020 incl. HST)—1.16%

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](http://www.franklintempleton.ca) for the most recent month-end performance.



● Series F

#### Calendar Year Returns (%)

	2019	2018	2017
Series F	18.43	-11.26	5.35

1. 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.

2. Each fund is assigned an investment risk rating in one of the following categories: low, low to medium, medium, medium to high or high risk. The risk ratings were determined using a methodology that assesses a fund's historical volatility risk as measured by the standard deviation of fund performance. However, just as a fund's historical performance may not be indicative of its future returns, a fund's historical volatility may not be indicative of its future volatility. In addition, other types of risk may exist that can affect a fund's returns. Please read the prospectus for more information on fund risk ratings.

3. Effective April 22, 2016, Franklin Bissett Canadian High Dividend Fund merged into Franklin Bissett Canadian Dividend Fund. Accordingly, past performance data for the period prior to April 22, 2016, would not be comparative. As a result of the merger, the fund's since inception performance calculations use the start date of April 25, 2016.

4. The fund offers other series subject to different fees and expenses, which will affect their performance.

5. Periods shorter than one year are shown as cumulative total returns.

Portfolio Manager Insight<sup>6</sup>

## Performance Review

## QUARTERLY KEY PERFORMANCE DRIVERS

	Stocks	Sectors
HELPED	Brookfield Renewable Partners LP	Energy (security selection)
	Suncor Energy Inc	Utilities (overweight)
	Metro Inc.	Consumer Staples (overweight)
HURT	Canadian Utilities Limited	Communication Services (overweight + security selection)
	Rogers Communications Inc.	Industrials (underweight)
	RioCan Real Estate Investment Trust	Real Estate (overweight + security selection)

- From an attribution perspective, the major driver of relative performance was security selection and interaction effects. The biggest contributors from a sector perspective were energy, utilities and consumer staples. These were offset by real estate, industrials and communication services. The strategy continues to be overweight consumer staples, communication services, utilities and real estate while being underweight materials, financials, information technology and industrials.

## Outlook &amp; Strategy

- During times like these we are reminded of the importance of taking a consistent and objective approach through varying market regimes.
- Overall, our investment style is well suited to dynamic market environments, enabling us to make rational decisions based on fundamental research that strives to maximize risk-adjusted returns over time.

Portfolio Characteristics<sup>7,8</sup>

	Portfolio	S&P/TSX Composite Index
Weighted Average Market Capitalization (Millions in CAD)	42,714	52,399
Dividend Yield	4.51%	3.24%

## Portfolio Diversification

Top Ten Holdings<sup>9</sup>

Percent of Total

Top Holdings	Sector	%
ROYAL BANK OF CANADA	Banks	6.33
CANADIAN NATIONAL RAILWAY CO	Transportation	4.97
FORTIS INC/CANADA	Utilities	4.80
BCE Inc.	Telecommunication Services	4.50
METRO INC/CN	Food & Staples Retailing	4.36
TORONTO-DOMINION BANK	Banks	4.29
ENBRIDGE INC	Energy	4.12
TELUS CORP	Telecommunication Services	3.92
BROOKFIELD INFRASTRUCTURE PARTNERS LP	Utilities	3.86
ROGERS COMMUNICATIONS INC	Telecommunication Services	3.62

6. The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. Because market and economic conditions are subject to change, comments, opinions and analyses are rendered as of the date of this material and may change without notice. A portfolio manager's assessment of a particular security, investment or strategy is not intended as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy; it is intended only to provide insight into the fund's portfolio selection process. Holdings are subject to change.

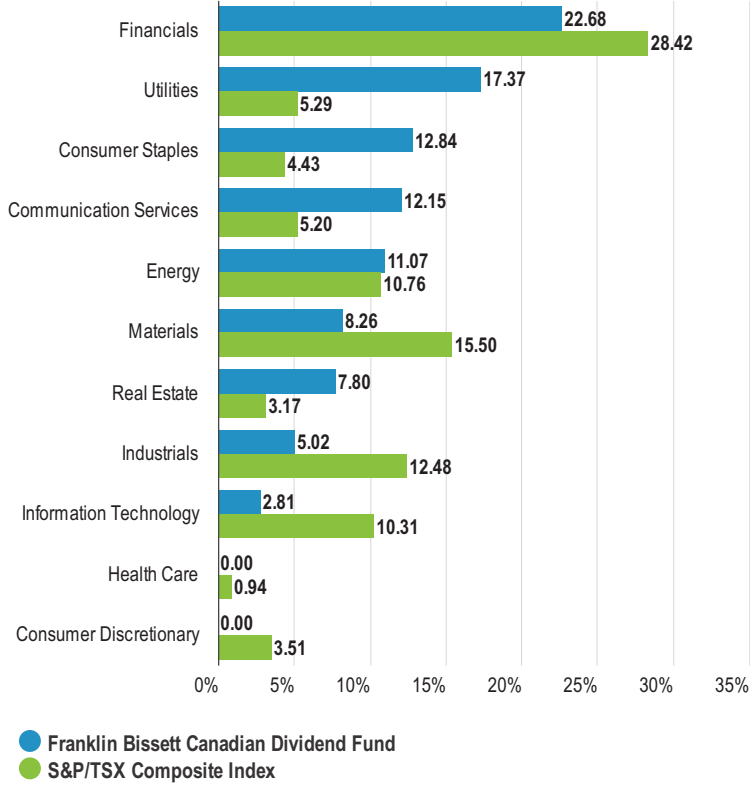
7. The portfolio characteristics listed are based on the fund's underlying holdings, and do not necessarily reflect the fund's characteristics. Due to data limitations all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security's issuing company. This methodology may cause small differences between the portfolio's reported characteristics and the portfolio's actual characteristics. In practice, Franklin Templeton's portfolio managers invest in the class or type of security which they believe is most appropriate at the time of purchase. The market capitalisation figures for both the portfolio and the benchmark are at the security level, not aggregated up to the main issuer. Source: FactSet. Price ratio calculations for weighted average use harmonic means. Any exceptions to this are noted. The IBES Estimated 3-5 Year EPS Growth uses simple weighted average means. There can be no assurance that the Estimated 3-5 Year EPS Growth will be realized. All holdings are subject to change.

8. Yield figures quoted should not be used as an indication of the income that has or will be received. Yield figures are based on the portfolio's underlying holdings and do not represent a payout of the portfolio. Past performance is not an indicator or a guarantee of future performance.

9. Holdings of the same issuers have been combined. Top ten holdings information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change. The information provided is not a recommendation to purchase, sell, or hold any particular security. The securities identified do not represent the fund's entire holdings and in the aggregate may represent only a small percentage of such holdings. There is no assurance that securities purchased will remain in the fund, or that securities sold will not be repurchased. The portfolio manager reserves the right to withhold release of information with respect to holdings that would otherwise be included.

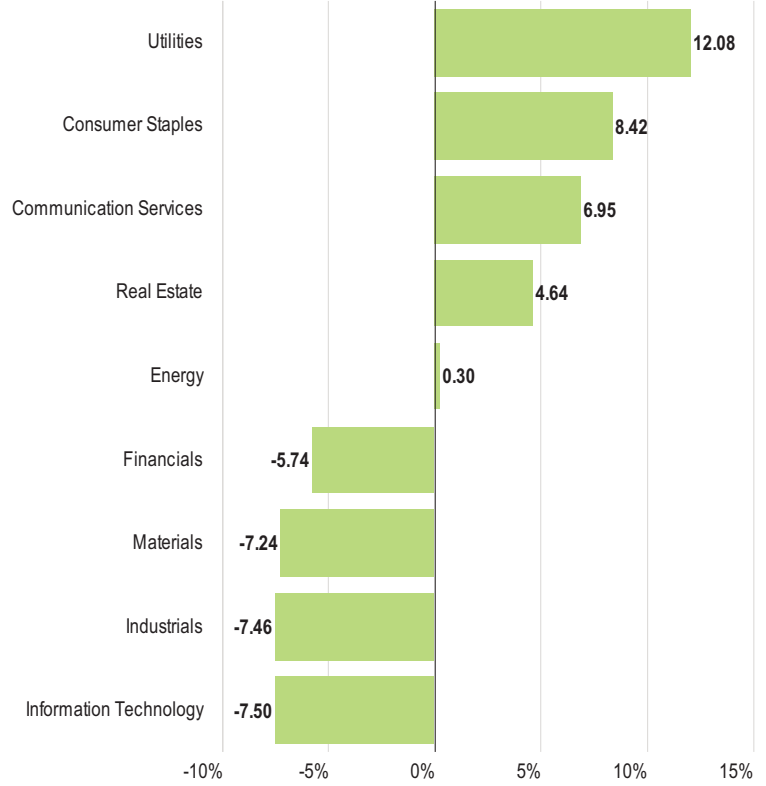
**Sector Weightings vs. S&P/TSX Composite Index<sup>10</sup>**

Equity Percent of Equity



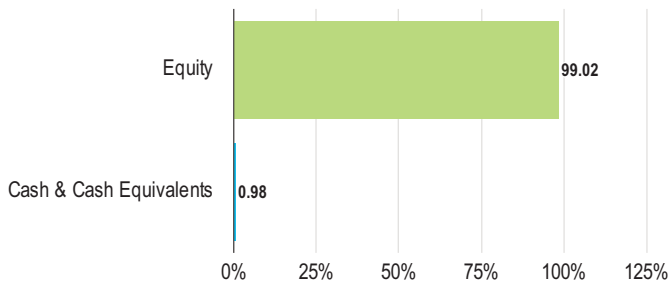
**Sector Overweight/Underweight<sup>11</sup>**

Equity Percent of Equity



**Asset Allocation<sup>12</sup>**

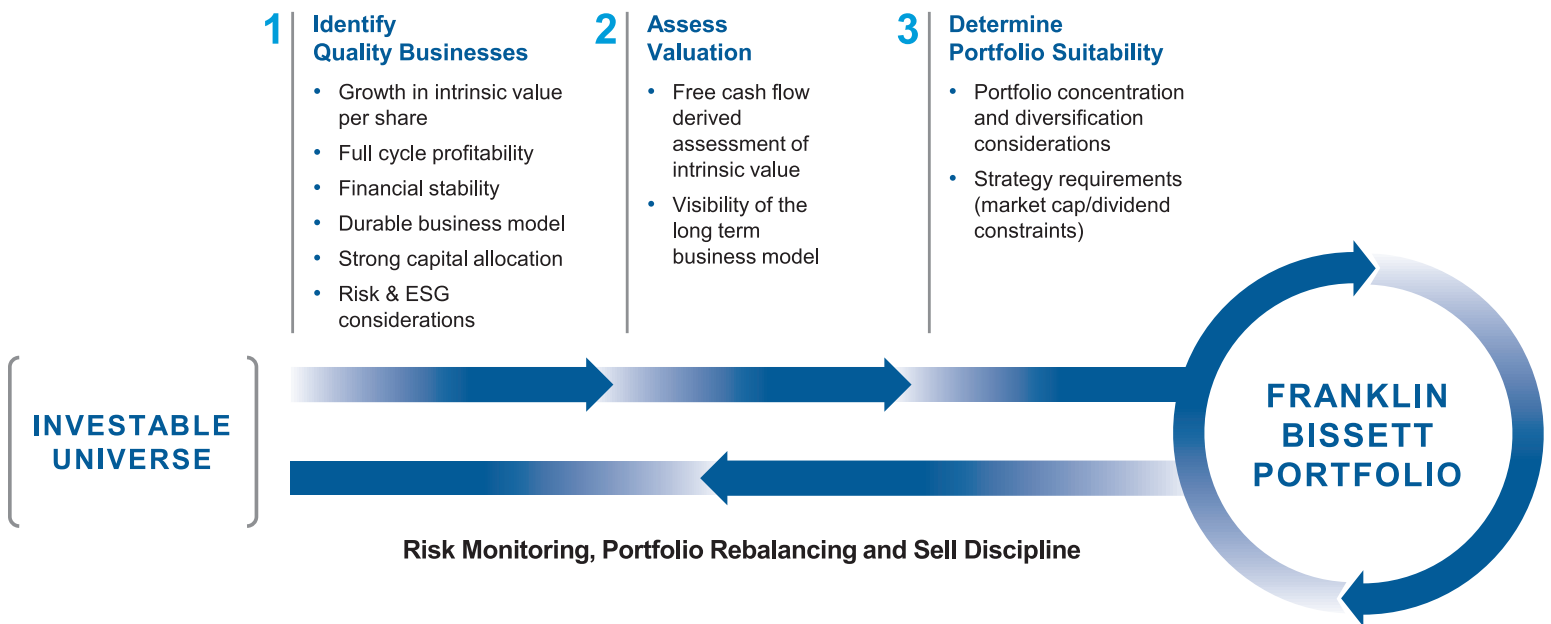
Percent of Total



**Investment Philosophy and Process**

1. Equity markets can be inefficient, particularly in the short term; price does not necessarily reflect intrinsic value
2. Sustained profitability and effective capital allocation drive intrinsic value growth
3. Achieving our performance objectives requires a high-conviction investment approach

10,11,12. Percentage may not equal 100% due to rounding. All holdings are subject to change.



The above chart is for illustrative and discussion purposes only. The way we implement our main investment strategies and the resulting portfolio holdings may change depending on factors such as market and economic conditions.

**Investment Team**

Portfolio Manager	Years with Firm	Years Experience
Les Stelmach, CFA	14	21
Ryan Crowther, CFA	12	18

**Glossary**

**Dividend Yield:** The annual dividend received on an equity security as a percentage of the price. For a portfolio, the value represents a weighted average of the stocks it holds. It should not be used as an indication of the income received from this portfolio.

**Market Capitalization:** A determination of a company’s value, calculated by multiplying the total number of company stock shares outstanding by the price per share. Market capitalization is expressed in millions of CAD.

Fund Codes<sup>13</sup>

	Series		Corporate Class	
	CAD	USD	CAD	USD
Series A Front	TML1017	—	TML3476	—
Series A DSC	TML1018	—	TML3478	—
Series A Low Load	TML1019	—	TML3477	—
Series F	TML1020	—	TML3479	—
Series F ADM	TML3989	—	TML5154	—
Series FT	TML5787	—	TML3483	—
Series FT ADM	TML5788	—	TML5214	—
Series I	TML3870	—	TML3480	—
Series O	TML1021	—	TML3481	—
Series OT	TML5789	—	TML3482	—
Series PA Front	TML5268	—	TML5262	—
Series PA DSC	TML5270	—	TML5264	—
Series PA Low Load	TML5269	—	TML5263	—
Series PF	TML3886	—	TML3809	—
Series PF ADM	TML5057	—	TML5193	—
Series PT Front	TML5790	—	TML5265	—
Series PT DSC	TML5792	—	TML5267	—
Series PT Low Load	TML5791	—	TML5266	—
Series T Front	TML5793	—	TML3484	—
Series T DSC	TML5795	—	TML3486	—
Series T Low Load	TML5794	—	TML3485	—

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

Beginning in January 2017, investors switching between Corporate Class funds will trigger a capital gain or loss at the time of the switch due to certain changes in the income tax laws made by the federal government in 2016.

13. "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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