



FRANKLIN TEMPLETON INVESTMENTS

Franklin Bissett Canadian Equity Fund

December 31, 2018

Product Profile

Product Details¹

Fund Assets	\$2,925,864,667.72
Fund Inception Date	03/01/1983
Base Currency	CAD
Morningstar Category™	Canadian Equity
Distribution Frequency	Annually

Risk Classification²

Low	Low to Medium	Medium	Medium to High	High
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Fund Description

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

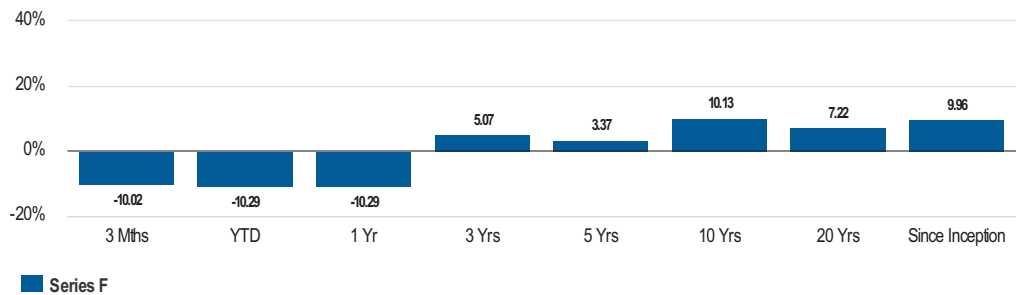
Performance Data

Average Annual Total Returns³ (%)

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	20 Yrs	Since Inception (03/01/1983)
Series F	-10.02	-10.29	-10.29	5.07	3.37	10.13	7.22	9.96

Management Expense Ratio (as of 06/30/2018 incl. HST)—1.15%

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.



Calendar Year Returns (%)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Series F	-10.29	5.59	22.44	-8.04	10.66	22.02	15.41	-5.76	19.39	40.33

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

Portfolio Manager Insight⁴

Performance Review

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 absolute, relative and risk-adjusted return objectives.

Portfolio Characteristics⁵

	Portfolio	S&P/TSX Composite Index
Market Capitalization (Millions in CAD)	41,642	43,972
Dividend Yield	3.08%	3.36%

Portfolio Diversification

Top Ten Holdings⁶

Percent of Total

Top Holdings	Sector	%
BROOKFIELD ASSET MANAGEMENT INC	Diversified Financials	7.02
CANADIAN NATIONAL RAILWAY CO	Transportation	5.82
ROYAL BANK OF CANADA	Banks	5.20
RESTAURANT BRANDS INTERNATIONAL INC	Consumer Services	5.11
TORONTO-DOMINION BANK	Banks	4.93
CANADIAN PACIFIC RAILWAY LTD	Transportation	4.36
CANADIAN IMPERIAL BANK OF COMMERCE	Banks	3.88
BANK OF MONTREAL	Banks	3.62
BANK OF NOVA SCOTIA	Banks	3.39
ALIMENTATION COUCHE-TARD INC	Food & Staples Retailing	3.28

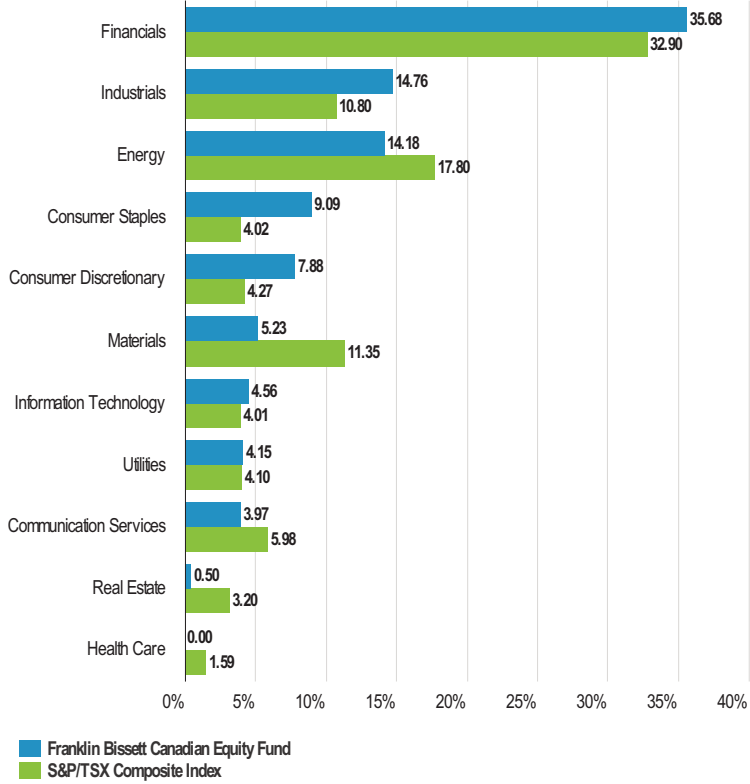
4. The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. Because market and economic conditions are subject to change, comments, opinions and analyses are rendered as of the date of this material and may change without notice. 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.

5. 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 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. Information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change.

6. 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 for the fund reserves the right to withhold release of information with respect to holdings that would otherwise be included.

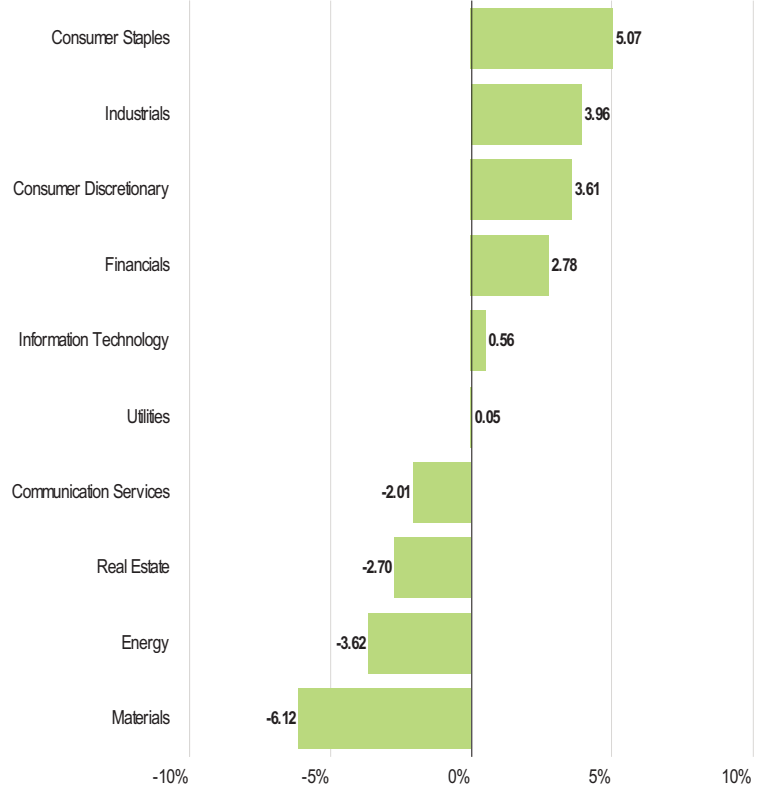
Sector Weightings vs. S&P/TSX Composite Index⁷

Percent of Equity



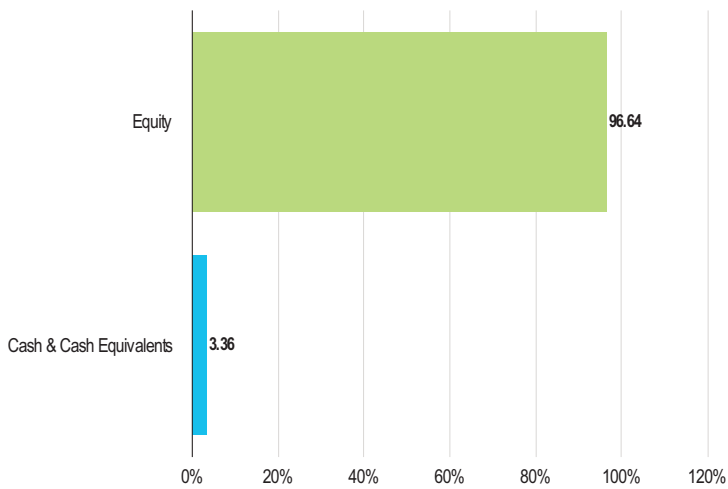
Sector Overweight/Underweight⁸

Percent of Equity



Asset Allocation⁹

Percent of Total



7,8,9. Information is historical and may not reflect current or future portfolio characteristics. Percentage may not equal 100% due to rounding. All holdings are subject to change.

Supplemental Performance Statistics

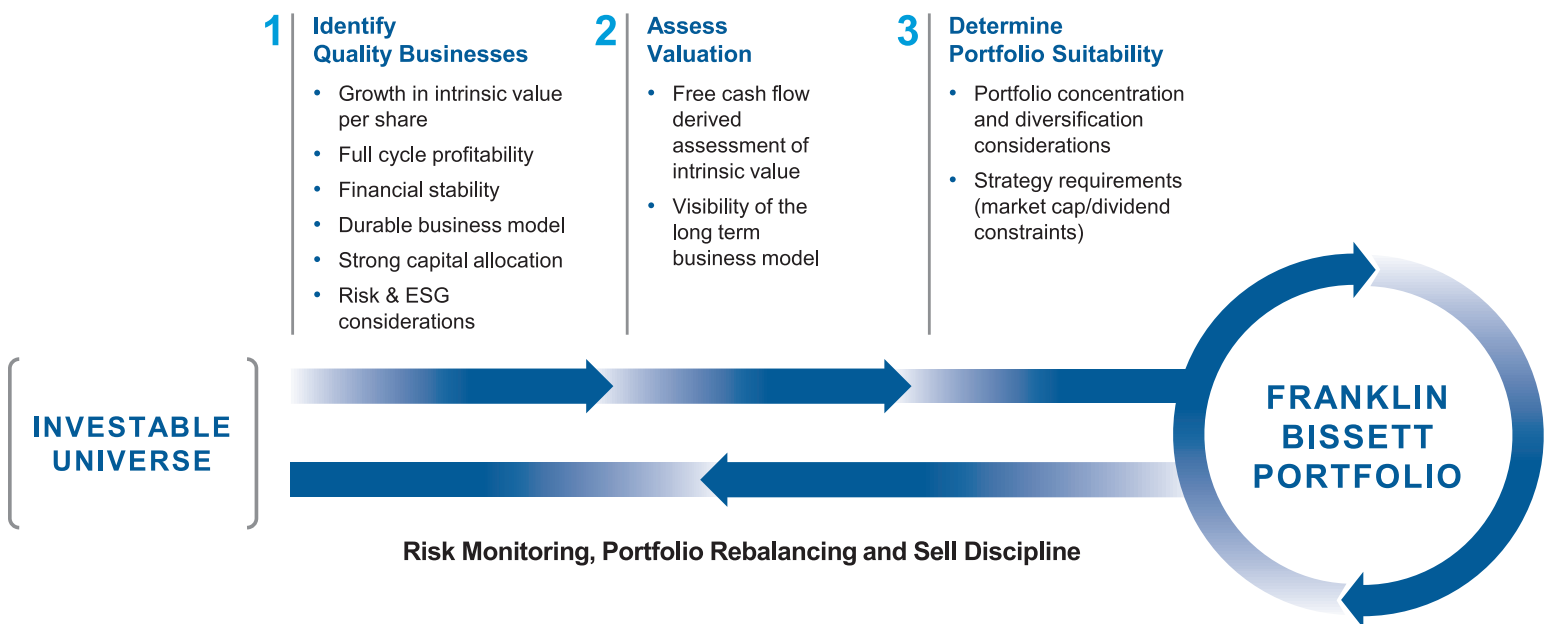
Supplemental Risk Statistics^{10,11}

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)	8.01	8.34	11.21	12.68
Tracking Error (%)	2.95	3.04	4.62	5.96
Information Ratio	-0.44	-0.23	0.48	0.26
Beta	0.96	0.96	0.96	0.81
Sharpe Ratio	0.53	0.31	0.83	0.39

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Investment Philosophy and Process

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



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
Garey J. Aitken, CFA, Chief Investment Officer	20	27
Tim Caulfield, CFA, Vice President, Director of Equity Research	12	19

Glossary

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 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.

10. Beta, Information Ratio and Tracking Error information are measured against the S&P/TSX Composite Index.

11. Information Ratio is a way to evaluate a manager's ability to outperform a benchmark in relation to the risk that manager is assuming, with risk defined as deviation from the benchmark. This measure is calculated by dividing the portfolio's excess return (portfolio return less the benchmark return) by the tracking error (derived by taking the standard deviation of the monthly differences between the portfolio return and the benchmark return over time).

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.

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.

Sharpe Ratio: To calculate a Sharpe ratio, an asset's excess returns (its return in excess of the return generated by risk-free assets such as Treasury bills) are divided by the asset's standard deviation.

Standard Deviation: A measure of the degree to which returns vary from the average of its previous returns. The larger the standard deviation, the greater the likelihood (and risk) that performance will fluctuate from the average return.

Tracking Error: Measure of the deviation of the return of a product compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment is managed, the smaller the tracking error.

Fund Codes¹²

	Series		Corporate Class	
	CAD	USD	CAD	USD
Series A Front	TML202	—	TML930	—
Series A DSC	TML302	—	TML931	—
Series A Low Load	TML518	—	TML779	—
Series F	TML232	—	TML932	—
Series F ADM	TML3990	—	TML5134	—
Series I	TML282	—	TML3695	—
Series O	TML112	—	TML934	—
Series OT	—	—	TML3696	—
Series PA Front	TML5277	—	TML5271	—
Series PA DSC	TML5279	—	TML5273	—
Series PA Low Load	TML5278	—	TML5272	—
Series PF	TML3888	—	TML3744	—
Series PF ADM	TML5058	—	TML5180	—
Series PT Front	—	—	TML5274	—
Series PT DSC	—	—	TML5276	—
Series PT Low Load	—	—	TML5275	—
Series T Front	—	—	TML3697	—
Series T DSC	—	—	TML3699	—
Series T Low Load	—	—	TML3698	—

Series I and V 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.

12. "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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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. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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INVESTMENTS**

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