

## Product Profile

### Product Details

Fund Assets	\$2,710,399,475.30
Fund Inception Date	03/01/1983
Base Currency	CAD
Benchmark Name	S&P/TSX Composite Index
Distribution Frequency	Annually
	<b>Inception Date</b>
Series O	11/24/2000

### Fund Description

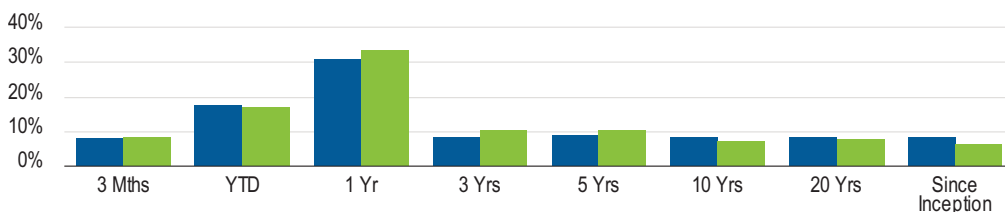
This Fund seeks long-term capital appreciation by investing primarily in a diversified portfolio of mid-to large-cap Canadian equities.

### Performance Data<sup>1</sup>

#### Average Annual Total Returns<sup>2</sup> (%)

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	20 Yrs	Since Inception (11/24/2000)
Series O	8.18	17.69	31.24	8.81	9.08	8.90	8.89	8.80
S&P/TSX Composite Index	8.54	17.28	33.85	10.79	10.77	7.44	7.74	6.76

The indicated rates of return are the Series O historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account investment management fees, sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns.



- Series O
- S&P/TSX Composite Index

#### Calendar Year Returns (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Series O	-0.62	21.66	-9.27	6.78	23.86	-7.00	11.93	23.45	16.79	-4.51
S&P/TSX Composite Index	5.60	22.88	-8.89	9.10	21.08	-8.32	10.55	12.99	7.19	-8.71

### Portfolio Manager Insight<sup>3</sup>

#### Performance Review

##### QUARTERLY KEY PERFORMANCE DRIVERS

	Stocks	Sectors
HELPED	Tourmaline Oil Corp.	Energy (security selection)
	Keyera Corp.	Materials (security selection)
	ARC Resources Ltd.	Health Care (no exposure)
HURT	Saputo Inc.	Industrials (security selection)
	Canadian Pacific Railway Limited	Consumer Staples (overweight)
	Manulife Financial Corporation	Information Technology (underweight + security selection)

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

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

3. 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.

- Relative to the benchmark, the fund experienced neutral security selection and interaction and negative sector allocation. Security selection and interaction most notably benefitted from individual holdings in the energy and materials sectors, partially offset by individual holdings in information technology.

### Outlook & Strategy

- We believe Franklin Bissett's GARP (growth-at-a-reasonable-price) investment style rooted in operating fundamentals and rigorous valuation work is well suited to the ongoing and changing dynamics we face with Canadian equities. While a more defensive/non-cyclical posture for the fund at the expense of growth/concept stocks has proven costly for relative performance in recent years, we believe our consistent approach and focus on holdings with superior fundamentals and valuations has the potential to produce excellent results.
- Consistent and relentless pursuit of our objectives will allow the fund to build on the strong long-term track record achieved through cycles on a risk-adjusted basis.

### Portfolio Characteristics<sup>4,5</sup>

	Portfolio	S&P/TSX Composite Index
Weighted Average Market Capitalization (Millions in CAD)	59,716	68,569
Dividend Yield	2.78%	2.56%

### Portfolio Diversification

#### Top Ten Holdings<sup>6</sup>

Percent of Total

Top Holdings	Sector	%
ROYAL BANK OF CANADA	Banks	5.86
BROOKFIELD ASSET MANAGEMENT INC	Diversified Financials	5.84
TORONTO-DOMINION BANK/THE	Banks	5.55
CANADIAN NATIONAL RAILWAY CO	Transportation	4.26
BANK OF NOVA SCOTIA/THE	Banks	3.80
ALIMENTATION COUCHE-TARD INC	Food & Staples Retailing	3.72
LOBLAW COS LTD	Food & Staples Retailing	3.68
BANK OF MONTREAL	Banks	3.62
OPEN TEXT CORP	Software & Services	3.49
ENBRIDGE INC	Energy	3.14

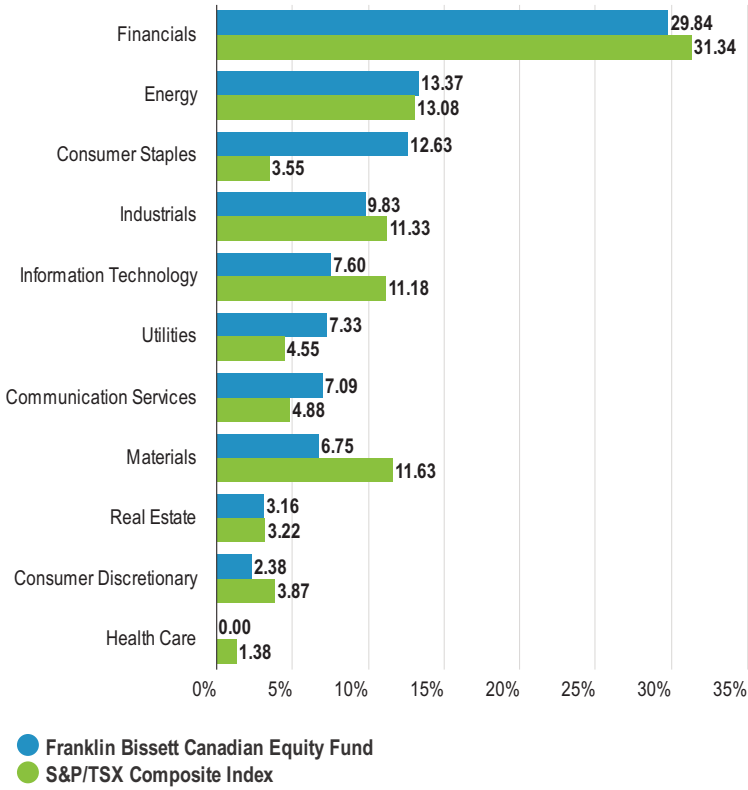
4. The portfolio characteristics listed are based on the fund's underlying holdings, and do not necessarily reflect the fund's characteristics. Due to data limitations all equity holdings are assumed to be the primary equity issue (usually the ordinary or common shares) of each security's issuing company. 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. All holdings are subject to change.

5. 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.

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 portfolio manager reserves the right to withhold release of information with respect to holdings that would otherwise be included.

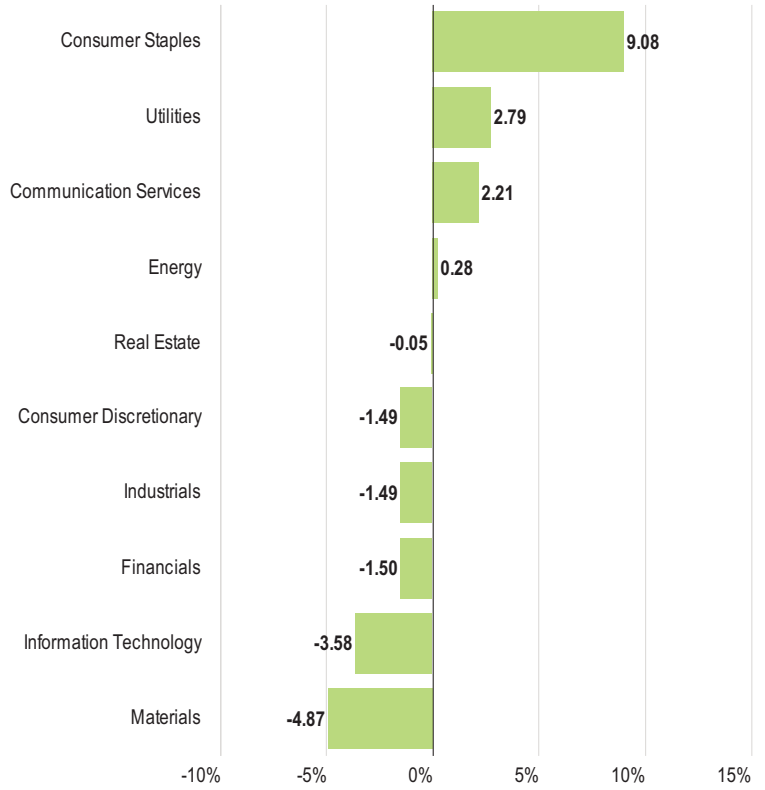
**Sector Weightings vs. S&P/TSX Composite Index<sup>7</sup>**

Percent of Equity



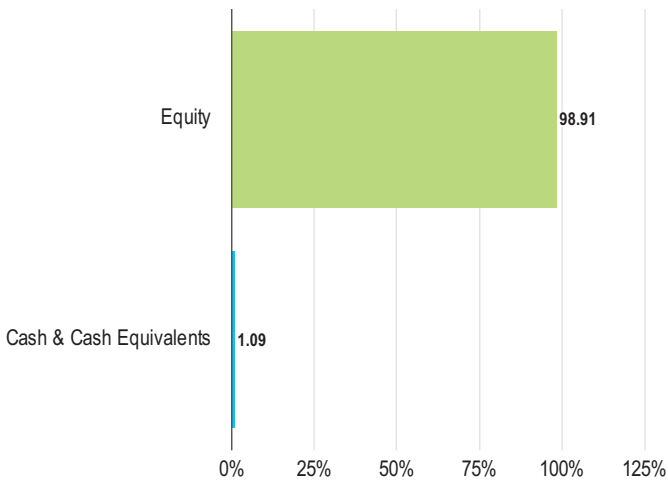
**Sector Overweight/Underweight<sup>8</sup>**

Percent of Equity



**Asset Allocation<sup>9</sup>**

Percent of Total



7,8,9. Percentage may not equal 100% due to rounding. All holdings are subject to change.

## Supplemental Performance Statistics

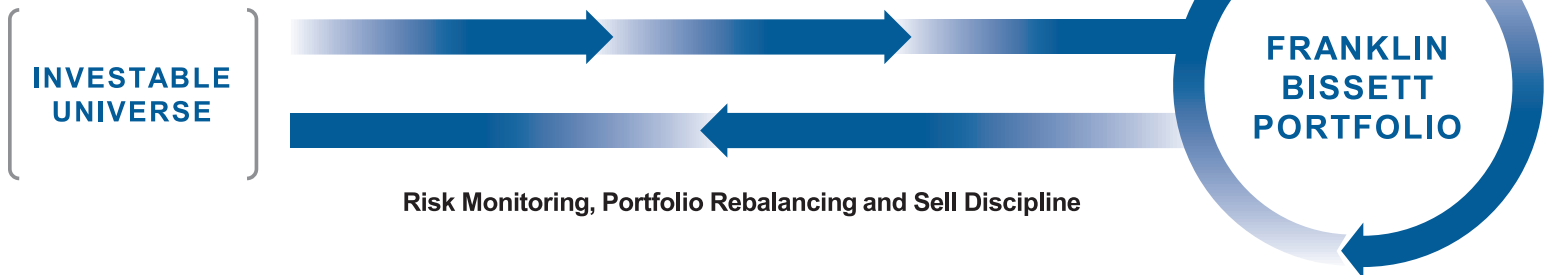
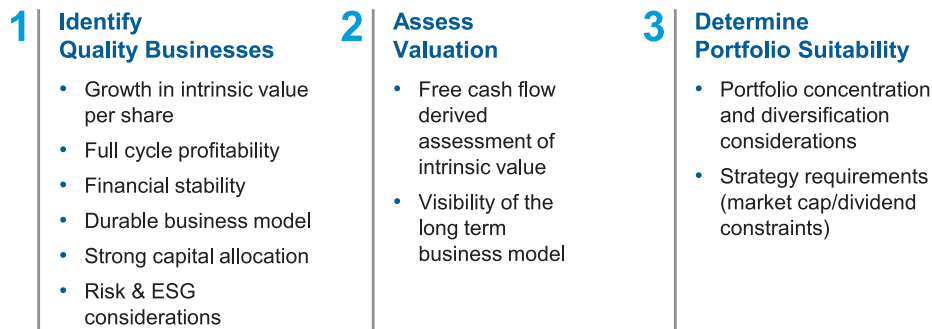
Supplemental Risk Statistics<sup>10,11</sup>

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)	15.02	12.22	10.90	12.36
Tracking Error (%)	4.51	3.99	4.20	5.52
Information Ratio	-0.44	-0.42	0.35	0.36
Beta	0.86	0.87	0.87	0.84
Sharpe Ratio	0.51	0.66	0.73	0.57

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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	23	29
Tim Caulfield, CFA	14	21

## 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).

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**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.

**Important Legal Information**

All performance data herein is for Series O units.

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Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

Franklin Templeton Institutional is part of Franklin Templeton Investments Corp. (FTIC). Series O investors do not pay any of the management fees within the fund but instead pay a separate management and administration fee that they negotiate directly with Franklin Templeton Investments Corp. To qualify to purchase or hold Series O units an investor must meet minimum investment requirements as set out in the fund's current prospectus. For more details on the management and administration fee, please read the prospectus. Performance is presented in Canadian dollars and is gross of fees (before management and custodial fees) of Series O units of the Fund. Taking into account such fees would result in lower rates of return.

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



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