



# Franklin Bissett Canadian Dividend Fund

September 30, 2021

## Product Profile

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

Fund Assets	\$234,192,384.39
Fund Inception Date	12/22/2003
Base Currency	CAD
Benchmark Name	S&P/TSX Composite Index
Distribution Frequency	Monthly

### Fund Description

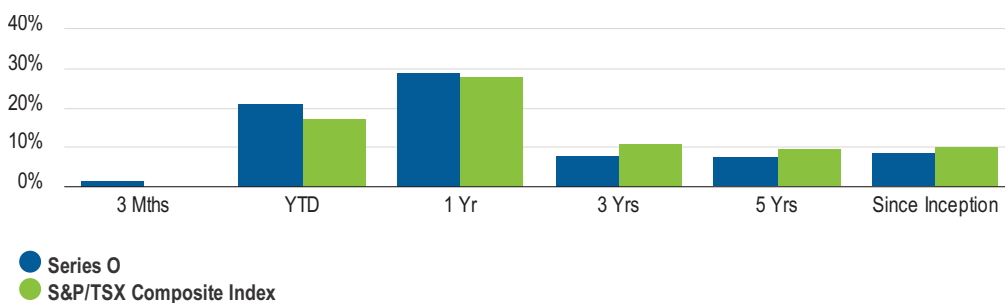
The fund seeks long-term capital appreciation by investing primarily in dividend-paying or income-producing Canadian securities, including common shares, income trust units and preferred shares. Portfolio managers look for quality companies at reasonable prices that have a proven ability to deliver a consistent and growing level of dividends over time.

### Performance Data<sup>2,3,4</sup>

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

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	Since Inception (04/25/2016)
Series O	1.84	21.16	29.15	8.01	7.71	8.61
S&P/TSX Composite Index	0.17	17.48	28.02	11.07	9.64	10.42

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.



#### Calendar Year Returns (%)

	2020	2019	2018	2017
Series O	-3.35	19.82	-10.23	6.70
S&P/TSX Composite Index	5.60	22.88	-8.89	9.10

- All holdings are subject to change. Holdings of the same issuers have been combined.
- 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.
- The fund offers other series subject to different fees and expenses, which will affect their performance.
- Source for Index: FactSet. Indexes are unmanaged, and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.
- 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	Loblaw Companies Limited	Materials (underweight + security selection)
	ARC Resources Ltd.	Consumer Staples (overweight)
	Nutrien Ltd.	Energy (overweight + security selection)
HURT	Rogers Communications Inc.	Financials (security selection)
	Saputo Inc.	Communication Services (security selection)
	Wheaton Precious Metals	Real Estate (security selection)

- Relative performance was driven to a large extent by materials and energy, but holdings (and certain underweight exposures) in the consumer staples, health care and consumer discretionary sectors were also meaningful drivers.
- Within materials, relative performance benefitted from strength in Nutrien (+10.2%), and weakness in Barrick Gold (-9.8%) and First Quantum (-17.9%) which are not owned, offset by weakness in Wheaton Precious Metals (-12.4%). In consumer staples, strength in Loblaw (+14.4%) offset by weakness in Saputo (-12.4%). In energy, ARC Resources (+13.6%) drove outperformance. In health care, broad weakness in the cannabis sector aided relative performance. In industrials, weakness in Canadian Pacific Railway (-13%) which is not owned, also contributed to relative outperformance.

## Outlook &amp; Strategy

- We are confident that our fundamentally-strong and consistently-applied GARP (growth-at-a-reasonable-price) investment style is suitable. We will remain disciplined and stay true to our investment style, seeking out businesses that can achieve secular growth in intrinsic value driven by advances in sustainable profitability (return on capital relative to cost of capital) through cycles, maintain appropriate capital structures for the industry in which they operate, and allocate capital wisely.
- We remain ready to take advantage of dislocations as they present themselves, allowing us to build on our long-term track record of superior absolute, relative, and risk-adjusted returns.

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

	Portfolio	S&P/TSX Composite Index
Weighted Average Market Capitalization (Millions in CAD)	55,633	67,394
Dividend Yield	3.58%	2.57%

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. 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.

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Portfolio Diversification

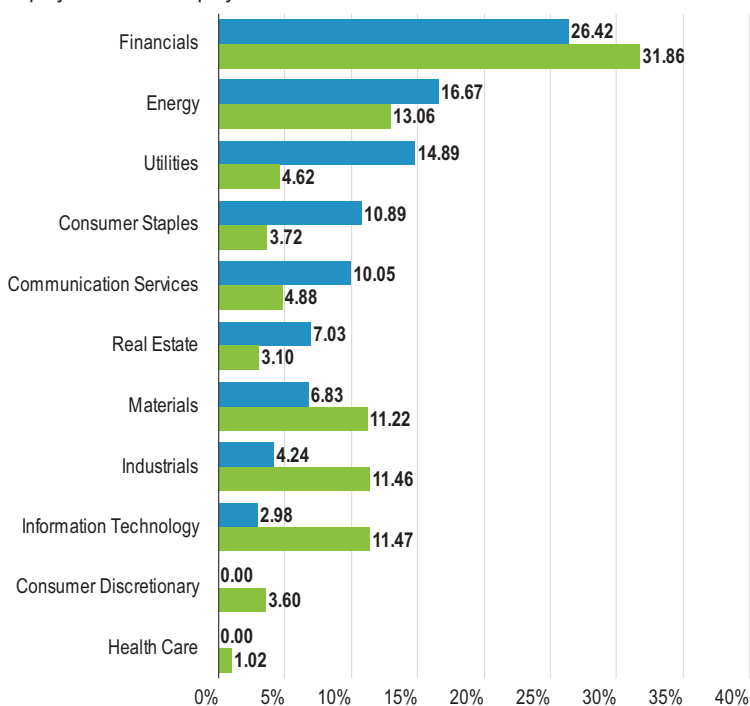
Top Ten Holdings<sup>9</sup>

Percent of Total

Top Holdings	Sector	%
ROYAL BANK OF CANADA	Banks	6.90
TORONTO-DOMINION BANK/THE	Banks	4.70
ENBRIDGE INC	Energy	4.53
TELUS CORP	Telecommunication Services	4.21
FORTIS INC/CANADA	Utilities	4.19
CANADIAN NATIONAL RAILWAY CO	Transportation	4.18
BCE Inc.	Telecommunication Services	4.11
BANK OF MONTREAL	Banks	3.88
BANK OF NOVA SCOTIA/THE	Banks	3.72
BROOKFIELD INFRASTRUCTURE PARTNERS LP	Utilities	3.46

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

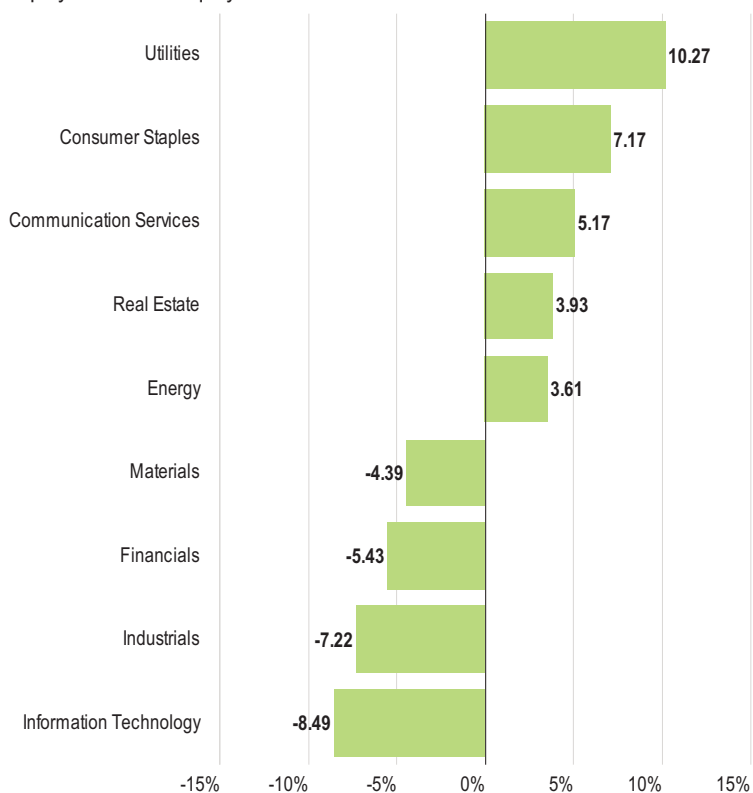
Equity Percent of Equity



● Franklin Bissett Canadian Dividend Fund  
 ● S&P/TSX Composite Index

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

Equity Percent of Equity

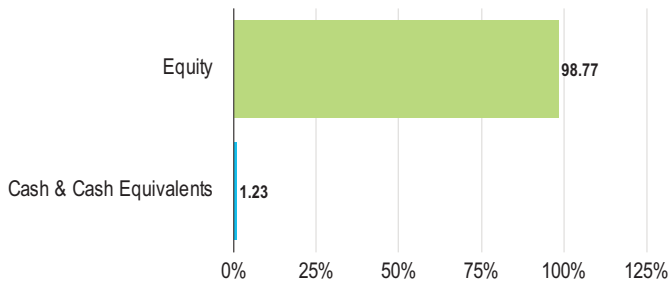


9. Holdings of the same issuers have been combined. Top ten holdings information is historical and may not reflect current or future portfolio characteristics. All holdings are subject to change. The portfolio manager reserves the right to withhold release of information with respect to holdings that would otherwise be included.

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

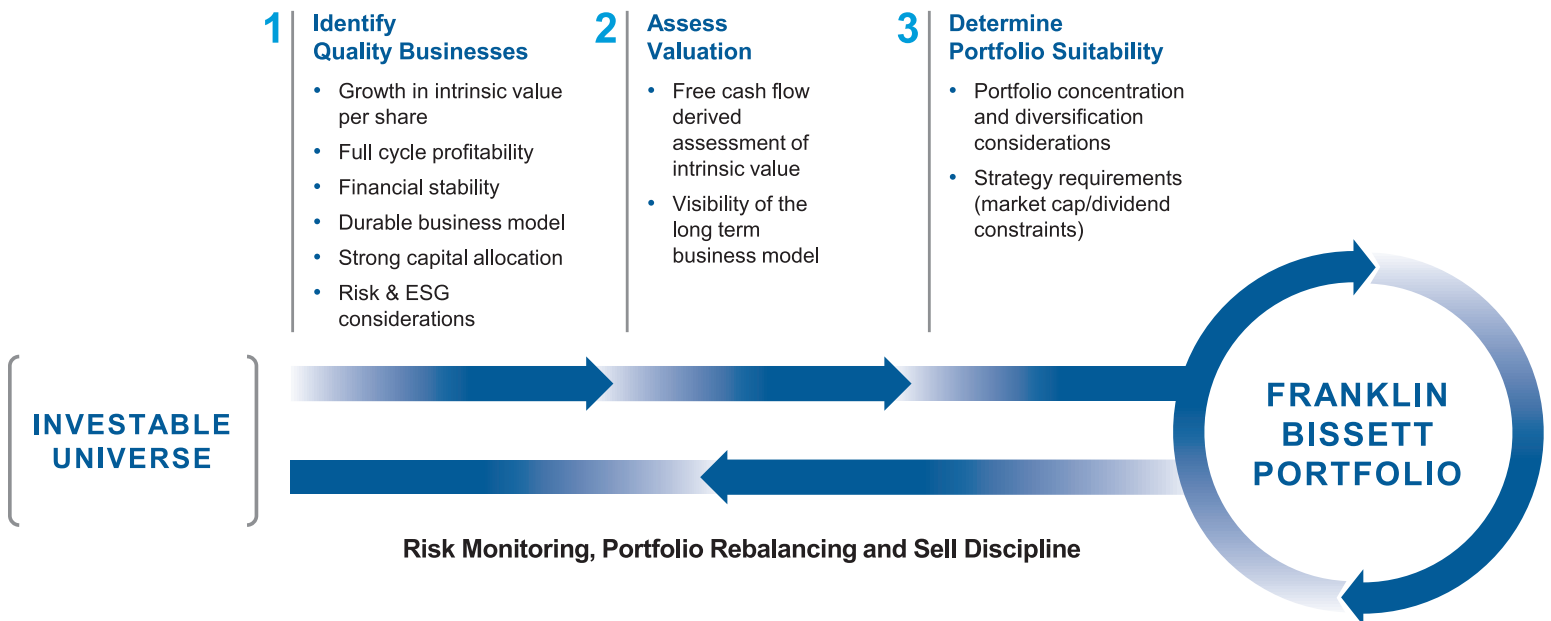
**Asset Allocation<sup>12</sup>**

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



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	15	22
Ryan Crowther, CFA	13	19

**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.

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

**Important Legal Information**

All performance data herein is for Series O units.

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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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