

Performance Review

- The US Federal Reserve (Fed) and the Bank of Canada (BoC) kept interest rates unchanged throughout the third quarter of 2021, as accommodative monetary policy supported financial markets. However, concerns about rising inflation and slowing growth saw the adoption of more hawkish language in September. Core inflation across both countries is currently running above 3%, affected by pandemic-related supply bottlenecks, although longer-term expectations are more subdued. The BoC believes its 2% inflation target will be achieved in the second half of 2022, triggering policy tightening, whilst the Fed's projections suggest rates may begin to rise next year.
- US and Canadian stocks were broadly flat across the quarter, although a strong US dollar boosted returns for US dollar-denominated assets in local-currency terms. Emerging market (EM) equities lost ground, hurt by weakness in China linked to slowing growth and domestic government reforms, whilst political and fiscal uncertainty in Brazil also proved a drag. European markets were flat, whilst Japanese stocks rose as its economic recovery accelerated.
- For the quarter, the fund's Series F shares returned 0.47%, and its benchmark, the Custom FT Growth Private Wealth Benchmark, returned 1.16%.

QUARTERLY KEY PERFORMANCE DRIVERS

HELPED	Cross-asset allocation contributed to relative performance, benefitting from an overweight to equities and a corresponding underweight to fixed income. The "risk-on" period for financial markets lasted for most of the quarter, helped by ongoing monetary and fiscal stimulus. Selection amongst Canadian equities boosted relative performance, in aggregate, particularly certain consumer and transport stocks. An overweight allocation to US equities benefitted results, as they outperformed broader global equities during the quarter, helped by a weighting towards technology growth stocks.
HURT	Franklin International Core Equity Fund held back results, underperforming broader international equities, due to selection within the information technology and industrials sectors. Within EM equities, a position in Templeton Emerging Markets Fund proved a drag, significantly underperforming the international equity benchmark, due to selection amongst financials and consumer discretionary stocks.

Outlook & Strategy

- Market volatility has risen recently, due to heightened levels of inflation, the peaking of growth in many major economies and a growing possibility of monetary policy normalisation. As markets experience short-term turbulence, we are inclined towards damage limitation, finding assets that dampen volatility, whilst cash offers some protection from downside, despite lack of yield. Should the market drawdown deepen further, we may consider increasing our overweight to equities, although that would depend on the progress of underlying growth and inflation fundamentals.
- Within equities, we retain a preference for US and Canadian stocks, despite inflationary headwinds, given relatively strong economic data and corporate earnings. We are overweight to international equities, with an emphasis on the Europe, Australasia and the Far East (EAFE) region, but remain neutral on EMs given idiosyncratic headwinds, retaining exposure via an underlying fund.
- The hawkish language used by central banks in the US, Canada and the UK is likely to have a destabilising effect on yields, driving down prices. As a result, we are underweight Canadian government bonds, preferring investment-grade credit.

Fund Details

Inception Date	04/24/2017
Benchmark Name	Custom FT Growth Private Wealth Benchmark, MSCI EAFE Index

Fund Description

The fund aims to achieve long term capital appreciation by investing primarily in a diversified mix of equity securities, with additional stability derived from investing in income securities.

Performance Data

Performance (%) as of 09/30/2021

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	Since Inception	Inception Date
Series F	-3.28	0.47	9.32	16.49	8.69	6.46	06/01/2017
Custom FT Growth Private Wealth Benchmark	-2.63	1.16	9.63	17.73	9.48	8.11	-
MSCI EAFE Index ^a	-2.58	1.95	8.18	19.78	7.41	6.02	-

Indicated rates of return include changes in unit or share value and reinvestment of all distributions and dividends 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 refer to the prospectus for further details. **For details on the respective series inception dates, please consult the Fund Facts or simplified prospectus for the fund.** Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. **Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.**

Investment Team

Ian M. Riach, CFA

Years with Firm 22
Years Experience 35

Scott Guitard, CFA

Years with Firm 8
Years Experience 13

Important Legal Information

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