

Performance Review

- The US Federal Reserve and the Bank of Canada kept interest rates unchanged throughout the second quarter of 2021 and committed to maintaining asset purchases whilst allowing inflation to run above target levels. Sovereign yield curves in both countries flattened significantly during the quarter, as short-term rates rose, whilst yields on longer-duration issues fell. Concerns that extraordinary fiscal and monetary stimulus might fuel uncontrolled inflation appear to have diminished, subduing long-term rates, whilst the likelihood of asset purchase tapering has increased boosting rates at the short end of the curve.
- US and Canadian stocks made robust gains during the quarter, although a strong Canadian dollar held back returns slightly, in local-currency terms, for US-denominated assets. The Canadian market was boosted by rising oil prices, which traded higher amidst falling stockpiles and firming demand. Emerging market (EM) equities overall posted a modest return, held back by weakness in Chinese equities during the quarter.
- For the quarter, the fund's Series F shares returned 4.07%, and its benchmark, the Custom FT Balanced Income Private Wealth Benchmark, returned 3.50%.

QUARTERLY KEY PERFORMANCE DRIVERS

HELPED	Cross-asset allocation benefitted relative results, specifically an underweight to fixed income and an overweight to equities during a "risk-on" period for markets.
	A large allocation to Franklin International Core Equity Fund contributed to relative results, benefitting from selection amongst industrials, health care and financials stocks.
	Canadian fixed income fund selection contributed to relative results, in aggregate, particularly long-duration provincial bonds, which outperformed their federal counterparts. Lower-quality credit issues also added value, as spreads narrowed on improving investor sentiment.
HURT	Stock selection in Canadian equities held back relative returns during the second quarter, as financial and infrastructure stocks suffered from pandemic-related losses.
	An underweight to Canadian equities detracted from performance during a period in which Canadian markets outperformed broader global equities, benefitting from rising oil prices.
	An overweight allocation to US fixed income detracted during a period of sustained risk appetite.

Outlook & Strategy

- The global economy continues to benefit from a strong cyclical expansion, and the portfolio managers remain confident that a stimulative mix of easy monetary policy and generous fiscal support should build an increasingly synchronised global expansion. Against this background, they favour risk assets generally and maintain an asset allocation tilt towards stocks over bonds.
- Within equities, the portfolio managers prefer countries that are experiencing the "point of inflection" in the vaccine rollout. As a result, they are overweight to international equities, with a preference for the EAFE region. Fiscal stimulus is a key driver of growth in the US, particularly infrastructure spending, leading the managers to remain optimistic on US equities, despite somewhat high valuations, while they hold a neutral stance towards EM equities.
- The portfolio managers retain a cautious view of Canadian government bonds, despite the apparently transitory nature of inflation, as fiscal stimulus and improving economic data helps to maintain upward pressure on yields, constraining absolute returns in the near-term. Elsewhere, they remain overweight to high quality investment-grade credit.

Fund Details

Inception Date	04/24/2017
Benchmark Name	Custom FT Balanced Income Private Wealth Benchmark, FTSE Canada Universe Bond Index

Fund Description

The fund aims to balance current income and long-term capital appreciation by investing in a diversified mix of equity and income securities, with a bias towards income.

Performance Data

Performance (%) as of 06/30/2021

	1 Mth	3 Mths	YTD	1 Yr	3 Yrs	Since Inception	Inception Date
Series F	1.80	4.07	3.30	9.57	6.04	4.20	06/01/2017
Custom FT Balanced Income Private Wealth Benchmark	1.77	3.50	2.45	8.85	6.96	5.77	-
FTSE Canada Universe Bond Index ^a	0.96	1.66	-3.46	-2.43	4.16	2.93	-

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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