

Product Profile

Product Details^{1,2}

Fund Assets	\$409,821,041.58
Fund Inception Date	04/14/1997
Number of Issuers	101
Base Currency	CAD
Benchmark Name	Russell 3000 Growth Index
Benchmark Currency	CAD
Distribution Frequency	Annually

Risk Classification³

Low	Low to Medium	Medium	Medium to High	High
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Inception Date

Series F	11/24/2000
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Fund Description

The fund seeks capital appreciation by investing primarily in U.S. equities demonstrating accelerating growth, increasing profitability or above-average growth or growth potential compared to the overall economy. The fund may also invest up to 25% of total assets in other countries.

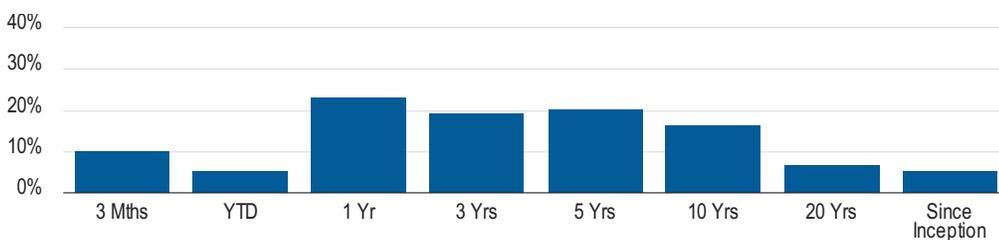
Performance Data⁴

Average Annual Total Returns⁵ (%)

	3 Mths	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	20 Yrs	Since Inception (11/24/2000)
Series F	10.30	5.77	23.42	19.53	20.51	16.64	6.85	5.59

Management Expense Ratio (as of 12/31/2020 incl. HST)—1.40%

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.



● Series F

Calendar Year Returns (%)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Series F	40.48	25.95	6.74	19.95	-6.61	23.08	15.20	45.27	5.67	-2.85

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. All holdings are subject to change. Holdings of the same issuers have been combined.

3. 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.

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

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

Portfolio Manager Insight⁶

Performance Review

QUARTERLY KEY PERFORMANCE DRIVERS

	Stock	Sectors
HELPED	FIGS, Inc. Class A	Health Care (Stock Selection)
	West Pharmaceutical Services, Inc.	Consumer Discretionary (Stock Selection)
	Wuxi Biologics (Cayman) Inc.	Information Technology (Stock Selection)
HURT	Mastercard Incorporated Class A	Industrials (Stock Selection)
	CoStar Group, Inc.	Communication Services (Underweight)
	Facebook, Inc. Class A	Materials

- In the consumer discretionary sector, vertically integrated e-commerce health care apparel company FIGS went public in May and we benefitted from our participation in the initial public offering (IPO) as the stock rallied following its debut. The company has done a great job establishing itself as a lifestyle brand for professional uniforms and taking share in the medical scrubs category that was prime for disruption. The overall business model is also attractive with recurring revenue characteristics and strong profitability allowing FIGS to stand out relative to apparel peers.
- In the health care sector, West Pharmaceutical Services is a leading manufacturer of packaging components and delivery systems for injectable drugs and healthcare products. Strong organic sales growth and accelerating demand for products associated with COVID-19 have been a tailwind for the stock.
- In contrast, payment processor Mastercard (MA) underperformed the benchmark, which hurt our relative returns, although absolute results were positive. The company reported strong first-quarter financial results that included strengthening domestic and cross-border volumes. We continue to be constructive on the secular trends driving MA's growth over the long term and expect the business to be in a structurally stronger position post-pandemic given opportunities in accelerated e-commerce adoption, new payment flows, and digital currencies.

Outlook & Strategy

- The US recovery has been gaining momentum as the country reopens parts of its economy—boosted by pent up demand, government stimulus and vaccine rollouts. Reopening is ultimately leading to better-than-expected earnings growth for companies represented across the broader equity market. Many US companies continue to have very strong balance sheets and appear well-positioned to invest for the future.
- We expect the general recovery direction to continue even though the pace may not be linear as inflation and interest rate increases have become a concern. However, our investment strategy remains unchanged. We continue to focus on bottom-up stock selection of companies based on our assessment of quality, sustainability and growth potential.
- We are finding opportunities across a broad range of sectors. In the industrial sector, there is digitalisation and automation as well as an increased adoption of greener infrastructure initiatives, in particular renewable energy, efficient buildings, high-speed rail and electric vehicles. Investment in e-commerce also is likely to continue at a rapid pace, while select brick-and-mortar retail can also thrive—while consumers want the flexibility of online shopping, many still value in-store experiences as well.
- Further developments are also likely in the digitalisation of healthcare. This can take the shape of telemedicine advancements, efficiency in managing low-acuity patients, and greater usage of remote monitoring devices.
- Despite the continued risk of bumps along the road, we retain our longer-term optimism as the expansion evolves. We continue to believe that navigating the challenges presented in the months ahead will require nimble management. We seek companies offering good valuations that we can hold over the long term. We are looking at businesses that we believe display innovation in technology or market approach and that can generate sustainable earnings and cashflow.

Portfolio Characteristics⁷

	Portfolio	Russell 3000 Growth Index
Price to Earnings (12-Month Trailing)	54.61x	38.06x
Price to Book	10.55x	12.89x
Price to Cash Flow	34.38x	24.30x
Weighted Average Market Capitalization (Millions in CAD)	604,794	918,666

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.

Portfolio Diversification

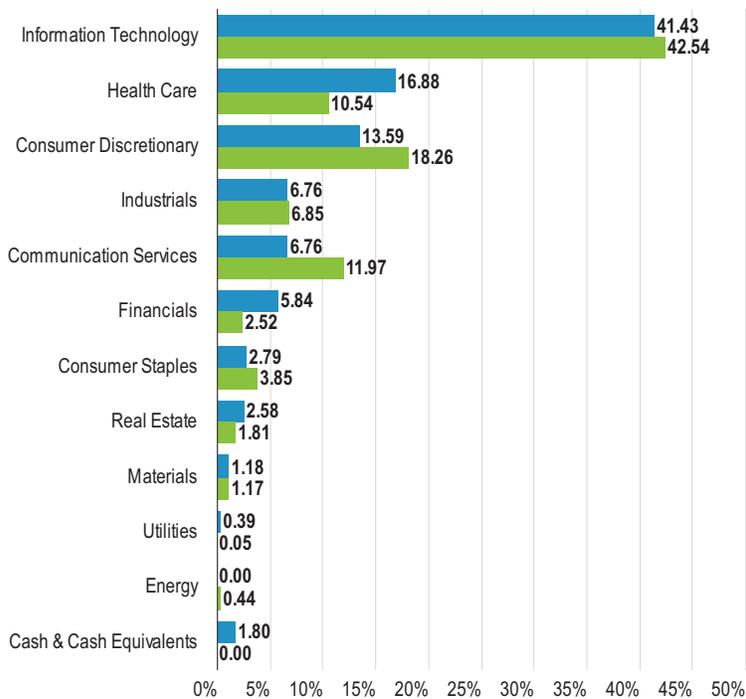
Top Ten Holdings⁸

Percent of Total

Top Holdings	Sector	Country	%
AMAZON.COM INC	Retailing	United States	8.00
MICROSOFT CORP	Software & Services	United States	4.25
MASTERCARD INC	Software & Services	United States	3.99
APPLE INC	Technology Hardware & Equipment	United States	3.55
VISA INC	Software & Services	United States	3.36
NVIDIA CORP	Semiconductors & Semiconductor Equipment	United States	2.87
ALPHABET INC	Media & Entertainment	United States	2.74
SERVICENOW INC	Software & Services	United States	2.73
PAYPAL HOLDINGS INC	Software & Services	United States	2.26
SBA COMMUNICATIONS CORP	Real Estate	United States	2.08

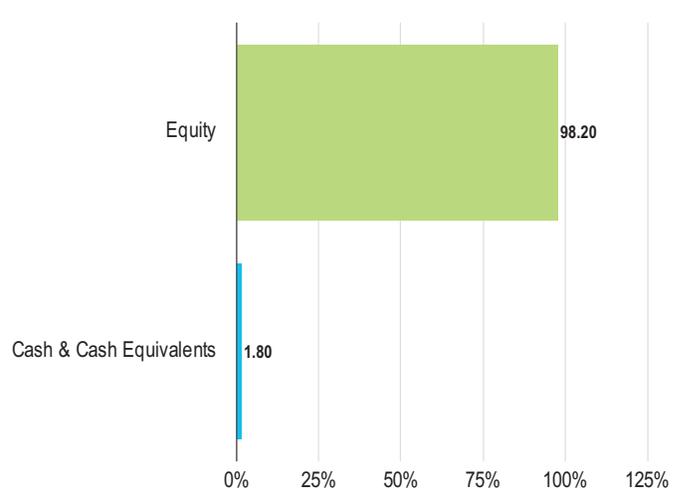
Sector Weightings vs. Russell 3000 Growth Index⁹

Percent of Total



Asset Allocation¹⁰

Percent of Total



- Franklin U.S. Opportunities Fund
- Russell 3000 Growth Index

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

9,10. Percentage may not equal 100% due to rounding. All holdings are subject to change.

Supplemental Performance Statistics

Supplemental Risk Statistics^{11,12}

	3 Yrs	5 Yrs	10 Yrs	Since Inception
Standard Deviation (%)	17.37	15.04	14.30	16.52
Tracking Error (%)	4.35	4.30	4.47	6.24
Information Ratio	-0.58	-0.42	-0.87	-0.20
Beta	1.04	1.03	1.08	1.07
Sharpe Ratio	1.06	1.30	1.10	0.26

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Investment Philosophy

The Franklin Equity Group philosophy holds that companies with the potential for long-term sustainable growth can provide significant opportunities for investors. Market participants can have a short-term perspective and may under appreciate the potential for value created by sustainable growth. We believe that we have the potential to deliver attractive risk-adjusted returns by identifying companies with potential for sustainable growth which we believe is not reflected in current prices.

Investment Process

Within a collaborative environment, our team utilises fundamental, bottom-up research to focus on companies that we believe have sustainable growth characteristics—meeting our criteria of Growth, Quality and Valuation.

Our analysis includes an assessment of any material Environmental, Social and Governance (ESG) factors on the long-term risk and return profile of a company.

Growth	Quality	Valuation
<ul style="list-style-type: none"> Focus on companies with potential to produce sustainable earnings and cash flow growth Evaluate the long-term market opportunity and competitive structure of the industry seeking to identify target leaders and emerging leaders 	<ul style="list-style-type: none"> Seek companies with strong and improving competitive positions in attractive markets Identify experienced and talented management teams as well as financial strength reflected in the capital structure, gross and operating margins, free cash flow generation, and returns on capital 	<ul style="list-style-type: none"> Consider a range of potential outcomes based on an assessment of multiple scenarios Evaluate whether, in our view, security prices fully reflect the balance of the sustainable growth opportunities relative to the business and financial risks

Investment Team

Portfolio Manager	Years with Firm	Years Experience
Grant Bowers	27	27
Sara Araghi, CFA	17	17

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%.

Historical 3-Year EPS Growth: A measure of the growth of earnings per share over a trailing 3 year period. For a portfolio, the value represents a weighted average of the stocks it holds.

Historical 3 Yr Sales Growth: The rate at which sales have increased for the fund's underlying holdings over the last three years.

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.

Net Margin: The ratio of net profits to revenues for a company or business segment that shows how much of each dollar earned by the company is translated into profits.

11. Beta, Information Ratio and Tracking Error information are measured against the Russell 3000 Growth Index.

12. 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).

Operating Margin: A measurement of what proportion of a company's revenue is left over after paying for variable costs of production such as wages, raw materials, etc.

Price to Earnings Growth Ratio: A ratio used to determine a stock's value while taking into account earnings growth. For a portfolio, the value represents a weighted average of the stocks it holds.

Return on Equity: A measure of a corporation's profitability that reveals how much profit a company generates with the money shareholders have invested. For a portfolio, the value represents a weighted average of the stocks it holds.

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 Codes^{13,14}

	Series	
	CAD	USD
Series A Front	TML214	TML814
Series A DSC	TML314	TML914
Series A Low Load	TML573	TML574
Series F	TML244	TML834
Series F ADM	TML5015	TML5038
Series O	TML124	TML133
Series PA Front	TML5541	TML5544
Series PA DSC	TML5543	TML5546
Series PA Low Load	TML5542	TML5545
Series PF	TML3907	TML3908
Series PF ADM	TML5083	TML5109

13. 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.

14. "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.

What Are The Risks?**Important Legal Information**

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Franklin Templeton Canada
200 King Street West, Suite 1500
Toronto, ON M5H 3T4
Tel: 800.387.0830
Fax: 866.850.8241
franklintempleton.ca