

This document contains key information you should know about Franklin Bissett Canadian All Cap Balanced Corporate Class. You can find more detailed information in the fund's simplified prospectus. Ask your representative for a copy, contact Franklin Templeton Investments Corp. (Franklin Templeton) at 1.800.387.0830 or service@franklintempleton.ca or visit www.franklintempleton.ca.

Before you invest in any fund, consider how it would work with your other investments and your tolerance for risk.

Quick facts

| | | | |
|---|--|------------------------------|--|
| Fund codes: | CAD: TML3315 (Deferred Sales Charge), TML3313 (Front-Load), TML3314 (Low-Load) | Fund manager: | Franklin Templeton Investments Corp. |
| Date series started: | January 12, 2009 | Portfolio manager(s): | Franklin Templeton Investments Corp. |
| Total value of the fund on March 31, 2018: | \$9.0 million | Minimum investment: | \$500 initial, \$100 additional, PACs \$50 |
| Management expense ratio (MER): | 2.35% | | |

What does the fund invest in?

The fund invests in Franklin Bissett Canadian All Cap Balanced Fund (the "underlying fund"), which invests primarily in a diversified portfolio of Canadian equity and fixed income securities, and to a lesser degree, in fixed income securities issued around the world. The fund normally invests around 65% of its assets in Canadian equity securities across all market capitalizations and the balance in fixed income securities, and may also invest up to 30% of its assets in foreign securities including those in both developed and emerging markets.

The charts below give you a snapshot of the fund's investments on March 31, 2018. The fund's investments will change.

Top 10 investments (March 31, 2018)[†]

| | |
|---|-------|
| 1. Cash and cash equivalents | 3.48% |
| 2. Brookfield Asset Management Inc., A | 3.00% |
| 3. Canadian National Railway Co. | 2.61% |
| 4. The Toronto-Dominion Bank | 2.53% |
| 5. Royal Bank of Canada | 2.46% |
| 6. Province of Ontario, 3.15%, 6/2/2022 | 2.45% |
| 7. Restaurant Brands International Inc. | 2.34% |
| 8. PSP Capital Inc., Senior Note, 3.29%, 4/4/2024 | 2.34% |
| 9. Canadian Imperial Bank of Commerce | 2.11% |
| 10. Bank of Montreal | 1.96% |

Total percentage of top 10 Investments 25.28%

Total number of investments 145

Investment mix (March 31, 2018)

| Asset Class | |
|---|--------|
| Common Stocks | 66.54% |
| Canadian Government Bonds | 17.69% |
| Canadian Corporate Bonds | 9.38% |
| Foreign Corporate Bonds | 2.95% |
| Short-term securities and all other assets, net | 3.44% |

[†] The fund invests substantially all of its assets in securities of Franklin Bissett Canadian All Cap Balanced Fund. The above investments are those held by the underlying fund.

How risky is it?

The value of the fund can go down as well as up. You could lose money. One way to gauge risk is to look at how much a fund's returns change over time. This is called "volatility".

In general, funds with higher volatility will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower volatility tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

Risk rating

Franklin Templeton has rated the volatility of this fund as **low to medium**.

This rating is based on how much the fund's returns have changed from year to year. It doesn't tell you how volatile the fund will be in the future. The rating can change over time. A fund with a low risk rating can still lose money.



For more information about the risk rating and specific risks that can affect the fund's returns, see the Investment risk classification methodology section of the fund's simplified prospectus.

No guarantees

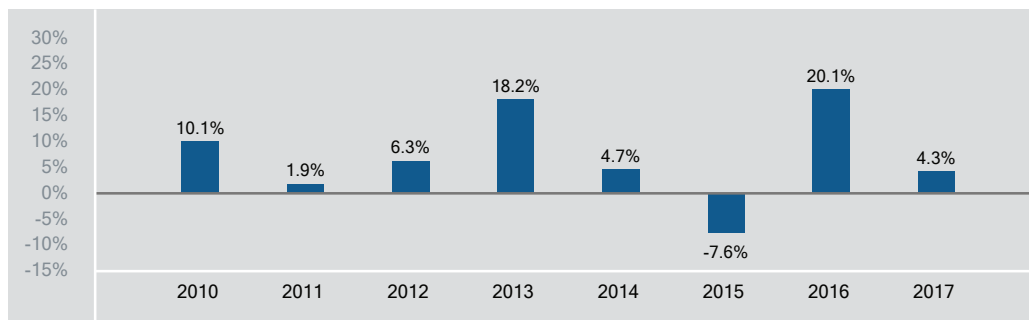
Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

How has the fund performed?

This section tells you how Series A securities of the fund have performed over the past 8 years. Returns are after expenses have been deducted. These expenses reduce the series' returns.

YEAR-BY-YEAR RETURNS

This chart shows how Series A securities of the fund have performed in each of the past 8 years. The series dropped in value in 1 of the 8 years. The range of returns and change from year to year can help you assess how risky the fund has been in the past. It does not tell you how the fund will perform in the future.



Effective May 13, 2013, the Fund changed its investment objective. Accordingly, past performance data for the period prior to May 13, 2013 may not be comparative.

BEST and WORST 3-MONTH RETURNS

| | Return | 3 months ended | If you invested \$1,000 at the beginning of the period |
|--------------|--------|--------------------|--|
| Best return | 14.7% | May 31, 2009 | Your investment would rise to \$1,147. |
| Worst return | -6.8% | September 30, 2015 | Your investment would drop to \$932. |

AVERAGE RETURN

The annual compounded return of Series A securities of the fund was 7.63% since inception. If you had invested \$1,000 in the fund since inception, your investment would be now worth \$1,970.

Who is this fund for?

Investors who:

- want to invest in a Canadian balanced fund with a multi-cap equity allocation to be held outside a registered plan
- invest for a medium to long term
- can handle the ups and downs of the stock market

A word about tax

In general, you pay income tax on your share of the fund's earnings and on any gains you realize from redeeming your investment. The amount of tax depends on the tax rules and rates that apply to you, and whether you hold the fund in a registered plan, such as an RRSP or TFSA.

If you hold the fund in a non-registered account, we send a tax slip that shows your share of the fund's earnings. You must calculate your gains on redemption.

Investors switching between Corporate Class Funds will trigger a capital gain or loss at the time of the switch.

How much does it cost?

The following tables show the fees and expenses you could pay to buy, own and sell Series A securities of the fund. The fees and expenses – including any commissions – can vary among series of a fund and among funds. Higher commissions can influence representatives to recommend one investment over another. Ask about other series, funds and investments that may be suitable for you at a lower cost.

1. SALES CHARGES

You have to choose a sales charge option when you buy this series of the fund. Ask about the pros and cons of each option.

| Sales charge option | What you pay | | How it works |
|------------------------------|--|---------------------------------------|---|
| | in per cent (%) | in dollars (\$) | |
| Initial sales charge | 0% to 6% of the amount you buy | \$0 to \$60 on every \$1,000 you buy | <ul style="list-style-type: none"> You and your representative decide on the rate. The initial sales charge is deducted from the amount you buy. It goes to your representative's firm as a commission. |
| Low-load sales charge | If you sell within: 1 year of buying 3.0% 2 years of buying 2.5% 3 years of buying 2.0% After 3 years Nothing | \$0 to \$30 on every \$1,000 you sell | <ul style="list-style-type: none"> The low-load sales charge is a set rate and is based on the cost of your securities at the time you buy. It is deducted from the value of the securities when you redeem. When you buy the fund, Franklin Templeton pays your representative's firm a commission of 2.5%. If you trigger a low-load sales charge when you redeem, you pay it to Franklin Templeton. You can sell up to 10% of your securities each calendar year without paying a low-load sales charge. A distribution paid to you in cash will reduce your free redemption entitlement for the following calendar year by the amount of that distribution. You cannot carry forward this privilege from one year to the next. You can switch to another Franklin Templeton fund without paying this charge if you switch to low-load sales charge securities of the other fund. The low-load sales charge schedule will be based on the date you first bought the original securities. |
| Deferred sales charge | If you sell within: 1 year of buying 6.0% 2 years of buying 5.5% 3 years of buying 5.0% 4 years of buying 4.5% 5 years of buying 4.0% 6 years of buying 3.0% After 6 years Nothing | \$0 to \$60 on every \$1,000 you sell | <ul style="list-style-type: none"> The deferred sales charge is a set rate and is based on the cost of your securities at the time you buy. It is deducted from the value of the securities when you redeem. When you buy the fund, Franklin Templeton pays your representative's firm a commission of 5%. If you trigger a deferred sales charge when you redeem, you pay it to Franklin Templeton. You can sell up to 10% of your securities each calendar year without paying a deferred sales charge. A distribution paid to you in cash will reduce your free redemption entitlement for the following calendar year by the amount of that distribution. You cannot carry forward this privilege from one year to the next. You can switch to another Franklin Templeton fund without paying this charge if you switch to deferred sales charge securities of the other fund. The deferred sales charge schedule will be based on the date you first bought the original securities. |

2. FUND EXPENSES

You don't pay these expenses directly. They affect you because they reduce the series' returns. As of December 31, 2017, the expenses of Series A were 2.38% of the value of this series. This equals \$23.80 for every \$1,000 invested.

| | Annual rate (as a % of the series' value) |
|---|--|
| Management expense ratio (MER) | 2.35% |
| This is the total of the management fee (including trailing commission), fixed administration fee and any operating expenses not covered by the fixed administration fee. | |
| Trading expense ratio (TER) | 0.03% |
| These are the fund's trading costs for this series. | |
| Series Expenses | 2.38% |

More about the trailing commission

The trailing commission is an ongoing commission. It is paid for as long as you own the fund. It is for the services and/or advice that your representative and/or their firm provide to you.

Franklin Templeton pays the trailing commission to your representative's firm. It is paid from the fund's management fee and is based on the value of your investment. The rate depends on the sales charge option you choose:

- **Initial sales charge** – 1.000% of the value of your investment each year. This equals \$10.00 each year for every \$1,000 invested.
- **Low-load sales charge** – 0.500% of the value of your investment each year for securities outstanding for less than three years. 1.000% of the value of your investment each year for securities outstanding for more than three years. This equals \$5.00 and \$10.00, respectively, each year for every \$1,000 invested.
- **Deferred sales charge** – 0.500% of the value of your investment each year for securities outstanding for less than six years. 1.000% of the value of your investment each year for securities outstanding for more than six years. This equals \$5.00 and \$10.00, respectively, each year for every \$1,000 invested.

3. OTHER FEES

You may have to pay other fees when you buy, hold, sell or switch securities of the fund.

| Fee | What you pay |
|-------------------|--|
| Switch fee | Up to 2% of the value of the switched securities. You negotiate this amount with, and pay it to, your representative's firm. Your representative's firm may charge you a switch fee for the following: <ul style="list-style-type: none"> • switches from securities bought under the initial sales charge option to securities without a sales charge option or under the initial sales charge option • switches from securities bought under the low-load sales charge option to securities under the low-load sales charge option • switches from securities bought under the deferred sales charge option to securities under the deferred sales charge option. |

What if I change my mind?

Under the securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual fund securities within two business days after you receive a simplified prospectus or Fund Facts document, or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you will also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form, Fund Facts document or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

For more information

Contact Franklin Templeton or your representative for a copy of the fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund's legal documents.

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To learn more about investing in mutual funds, see the brochure **Understanding mutual funds**, which is available on the website of the Canadian Securities Administrators at www.securities-administrators.ca.