

TAX EFFICIENCY BEYOND YOUR RRSP

In Canada, an RRSP is the best way to reduce taxable income, defer taxes, and save for retirement. But relying on an RRSP just isn't enough. To optimize your retirement plan, you should also invest outside of your RRSP, or more specifically in one of our Corporate Class solutions.

Defer taxes when switching funds

Franklin Templeton Corporate Class solutions are investments that allow investors to switch among funds and portfolios within the same corporate structure, without triggering an immediate capital gains tax.

Unlike traditional funds and portfolios, Franklin Templeton Corporate Class funds and portfolios defer taxes on capital gains when you sell one Corporate Class solution to switch to another Corporate Class solution, like investments held within a registered plan.

This advantage is maintained until you withdraw from the corporate structure entirely.



Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the Franklin Templeton Investments prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The tax consequences of an investment in a Corporate Class Solution will depend in part on the tax position of Franklin Templeton Corporate Class Ltd. as a whole and will differ from an investment in a fund or portfolio that is not part of a multi-class structure. Franklin Templeton Diversified Income Corporate Class Portfolio, Franklin Templeton Money Market Corporate Class, and Bissett Bond Corporate Class are temporarily closed to new investment over \$1 million, as of January 11, 2005.

Current unitholders can still switch between all Corporate Class funds and portfolios.

Franklin Templeton Investments Corp.

1 Adelaide Street East, Suite 2101
Toronto, Ontario, Canada M5C 3B8
Toll Free: 1.800.387.0830 Fax: 416.364.1163

www.franklintempleton.ca

NYSE: BEN LSE: FRK

Canadian offices:

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Gain from tax-deferred growth

Corporate Class Solutions



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< GAIN FROM OUR PERSPECTIVE® >



Templeton

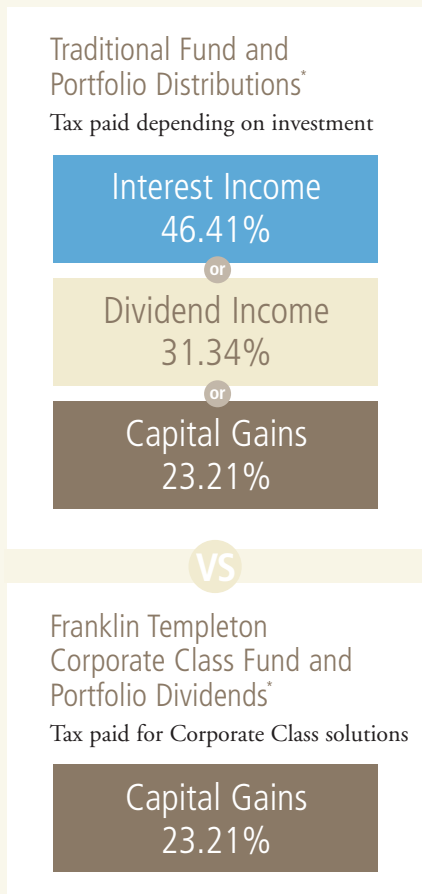
FRANKLIN

BISSETT

Mutual Series

Receive more favourable tax treatment with Corporate Class Solutions

Franklin Templeton Corporate Class solutions are structured to pay dividends composed primarily of capital gains – the lowest taxed income type – even from interest-generating securities.



* This is the percentage you pay in tax – based on the source of income – when you receive a distribution or dividend. It is based on Ontario's top marginal tax rate of 46.41%.

Enjoy tax-deferred compounding

CONSIDER THIS EXAMPLE:

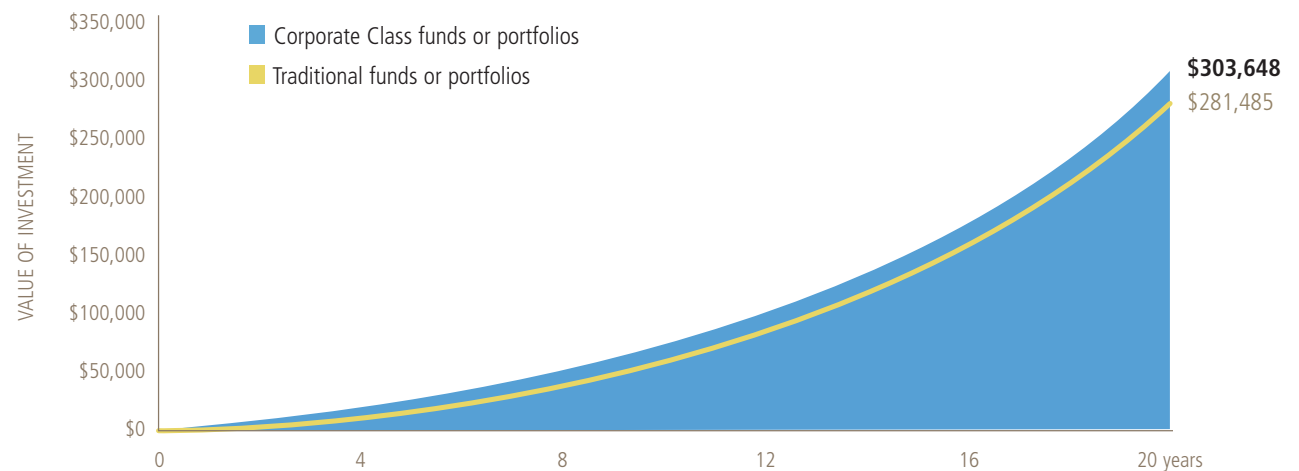
Jacques invests \$5,000 every year in traditional non-registered funds or portfolios, whereas Pat invests the same amount into Franklin Templeton Corporate Class solutions. Both investors switch 10% of their account market value at the end of December each year to actively rebalance their portfolio holdings as originally weighted.

TWENTY YEARS LATER:

Pat's investment allowed the deferral of the capital gains taxes triggered by her rebalancing; therefore, her portfolio outperformed Jacques' by more than \$22,000 to reach \$303,648.

Jacques was required to pay \$20,106 in capital gains taxes, which reduced his portfolio's power to grow through compounding.

The power of tax-deferred compounding



For more information on how Franklin Templeton Corporate Class solutions can help you invest more tax-efficiently outside your RRSP, call your investment advisor or visit www.franklintempleton.ca.

The example assumes that the investment portfolio with traditional funds and portfolios has an annual 10% compound average rate of return. The investment portfolio with Corporate Class Solutions has an annual 9.7% compound average rate of return, which includes enhanced expenses that are generally 0.3% higher than traditional funds and portfolios. Both investors have a marginal income tax rate of 46.41%. The rate of return shown is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of any fund or portfolio or returns on investments in a specific fund or portfolio. For the traditional funds or portfolios example, it is assumed that the investment portfolio for this example did not pay a distribution during this period. For the Corporate Class fund or portfolio example, it is assumed that there were enough expenses in the portfolio to offset the income earned so no taxes were accrued.