



Why Diversify? Because Winners Rotate.

ANNUAL RETURNS OF KEY ASSET CLASSES RANKED IN ORDER OF PERFORMANCE FROM BEST TO WORST (CDN\$)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
U.S. Large Caps	33.77%	33.09%	39.24%	38.36%	72.10%	15.52%	15.25%	15.32%	56.81%	16.78%	40.84%	56.01%	34.90%	31.64%	75.10%	38.53%	10.51%	17.27%	48.14%	23.93%
U.S. Small Caps	24.90%	31.53%	37.08%	38.01%	57.23%	10.24%	12.44%	9.12%	42.74%	15.17%	31.17%	33.84%	18.59%	31.07%	64.34%	20.24%	9.67%	16.00%	41.27%	15.52%
Canadian Large Caps	20.67%	28.66%	29.67%	33.94%	34.21%	7.99%	8.92%	8.73%	27.83%	14.12%	26.29%	32.05%	11.14%	6.42%	52.03%	20.10%	8.26%	16.00%	37.84%	15.01%
European Equities	18.75%	23.57%	27.75%	29.16%	22.64%	7.31%	8.08%	2.04%	25.51%	13.84%	19.68%	26.37%	3.68%	-7.65%	31.94%	13.84%	8.08%	15.29%	35.91%	14.35%
Global Equities	17.96%	22.17%	21.35%	22.04%	20.29%	6.78%	7.95%	-0.93%	23.75%	12.55%	13.01%	20.92%	2.01%	-17.18%	30.97%	12.98%	4.64%	13.96%	34.41%	12.27%
Global Bonds	16.35%	17.08%	19.95%	16.66%	20.28%	0.37%	3.76%	-6.97%	20.45%	11.91%	11.16%	20.19%	-2.98%	-21.20%	28.49%	9.06%	-1.80%	13.77%	31.57%	11.41%
Canadian Large Caps	16.13%	14.57%	17.59%	9.82%	18.44%	-1.90%	3.44%	-12.37%	13.84%	9.71%	7.27%	19.16%	-5.32%	-25.37%	16.18%	8.45%	-2.67%	13.43%	14.75%	11.04%
U.S. Bonds	15.20%	12.98%	14.48%	9.18%	14.58%	-4.93%	-0.49%	-13.52%	13.82%	8.59%	7.18%	17.92%	-7.08%	-28.78%	12.49%	6.74%	-8.29%	12.34%	13.26%	9.65%
Global High Yield Bonds	14.14%	12.26%	9.63%	7.96%	14.37%	-5.93%	-6.35%	-14.00%	9.41%	7.15%	6.46%	16.64%	-7.15%	-29.23%	11.07%	6.48%	-8.75%	12.17%	7.76%	8.79%
Canadian Small Caps	13.88%	8.55%	8.35%	4.60%	9.82%	-7.01%	-8.62%	-16.53%	6.69%	6.85%	2.29%	15.35%	-9.09%	-31.17%	8.00%	4.05%	-9.08%	8.07%	4.55%	7.03%
Foreign Equities	8.47%	6.89%	6.97%	1.37%	-1.14%	-9.88%	-11.28%	-18.94%	5.26%	3.80%	1.94%	11.49%	-9.28%	-32.55%	7.39%	2.56%	-9.55%	3.60%	4.29%	6.22%
Global Small Caps	7.41%	6.56%	6.56%	-17.90%	-2.41%	-10.95%	-14.59%	-20.37%	4.65%	2.81%	-0.14%	6.23%	-10.53%	-41.44%	5.41%	0.98%	-14.17%	2.46%	3.94%	4.12%
Emerging Markets Equities	-7.83%	5.43%	2.98%	-19.86%	-6.28%	-18.48%	-14.82%	-21.31%	-7.97%	1.31%	-0.30%	4.06%	-12.94%	-46.61%	-9.19%	0.04%	-16.15%	2.01%	3.24%	2.82%
BRIC Equities	-26.28%	4.15%	-7.69%	-40.34%	-10.40%	-28.19%	-16.26%	-22.91%	-14.84%	-3.26%	-6.88%	3.94%	-16.52%	-49.14%	-10.04%	-0.96%	-20.76%	1.91%	-1.19%	-0.09%

Perhaps nothing better illustrates the need for an asset allocation plan than this chart, which shows how various asset classes performed on a year-by-year basis from 1995 through 2014. The best-performing asset class for each calendar year is at the top of each column. A well-balanced portfolio invested across all asset classes allows investors to participate in the gains of each year's "winners".

Franklin Templeton Investments offers a variety of professionally managed mutual funds that cover every major asset class. For more information on how to diversify your portfolio, speak to your investment advisor or visit franklintempleton.ca/whydiversify

- Canadian Large Caps
S&P/TSX 60 TRI
- Canadian Small Caps
BMO Nesbitt Burns Small Cap TRI
- U.S. Large Caps
S&P 500 TRI
- U.S. Small Caps
Russell 2000 TRI
- Global Equities
MSCI World GRI
- Global Small Caps
MSCI ACWI Small GRI
- Foreign Equities
MSCI EAFE GRI
- European Equities
MSCI Europe GRI
- Emerging Markets Equities
MSCI EM GRI
- BRIC Equities
MSCI BRIC GRI
- Canadian Bonds
FTSE TMX Canada Universe Bond Index†
- U.S. Bonds
Barclays U.S. Aggregate Bond TRI
- Global Bonds
Barclays Global Aggregate Bond TRI
- Global High Yield Bonds
Credit Suisse First Boston High Yield Return Index

† Formerly DEX Universe Bond Index
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