

Best

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

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

Canadian Large Caps

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

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[†] Formerly DEX Universe Bond Index