

WHY DIVERSIFY? BECAUSE WINNERS ROTATE

One year's best performer might be the next year's worst. A diverse portfolio can protect you from downturns and give you access to the best performing asset classes this year—every year.

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Best ↑	Emerging Markets Equities 31.17%	Emerging Markets Equities 32.08%	Emerging Markets Equities 18.55%	U.S. Bonds 31.64%	Emerging Markets Equities 52.03%	Canadian Equities 17.61%	U.S. Bonds 10.51%	Emerging Markets Equities 16.00%	U.S. Equities 41.27%	U.S. Equities 23.93%	U.S. Equities 21.59%	Canadian Equities 21.08%	Emerging Markets Equities 28.70%	U.S. Bonds 9.02%	U.S. Equities 24.84%
	Canadian Equities 24.13%	International Equities 26.37%	Canadian Equities 9.83%	Global Bonds 31.07%	Canadian Equities 35.05%	Emerging Markets Equities 12.98%	Canadian Bonds 9.67%	International Equities 15.29%	International Equities 31.57%	U.S. Bonds 15.52%	U.S. Bonds 20.59%	U.S. Equities 8.09%	International Equities 17.36%	Global Bonds 7.70%	Canadian Equities 22.88%
	International Equities 11.16%	Canadian Equities 17.26%	Canadian Bonds 3.68%	Canadian Bonds 6.42%	International Equities 12.49%	U.S. Equities 9.06%	Global Bonds 8.26%	U.S. Equities 13.43%	Canadian Equities 12.99%	Canadian Equities 10.55%	International Equities 19.46%	Emerging Markets Equities 7.74%	U.S. Equities 13.83%	U.S. Equities 4.23%	International Equities 16.45%
	Canadian Bonds 6.46%	U.S. Equities 15.35%	International Equities -5.32%	U.S. Equities -21.20%	U.S. Equities 7.39%	Canadian Bonds 6.74%	U.S. Equities 4.64%	Canadian Equities 7.19%	U.S. Bonds 4.55%	Global Bonds 9.65%	Global Bonds 16.15%	Canadian Bonds 1.66%	Canadian Equities 9.10%	Canadian Bonds 1.41%	Emerging Markets Equities 12.89%
	U.S. Equities 2.29%	Global Bonds 6.23%	Global Bonds -7.15%	International Equities -28.78%	Canadian Bonds 5.41%	International Equities 2.56%	Canadian Equities -8.71%	Canadian Bonds 3.60%	Emerging Markets Equities 4.29%	Canadian Bonds 8.79%	Canadian Bonds 3.52%	U.S. Bonds -0.90%	Canadian Bonds 2.52%	International Equities -5.55%	Canadian Bonds 6.87%
	U.S. Bonds -0.14%	Canadian Bonds 4.06%	U.S. Bonds -9.28%	Canadian Equities -33.00%	Global Bonds -9.19%	U.S. Bonds 0.98%	International Equities -9.55%	Global Bonds 2.01%	Global Bonds 3.94%	Emerging Markets Equities 7.03%	Emerging Markets Equities 2.42%	Global Bonds -1.45%	Global Bonds 0.34%	Emerging Markets Equities -6.52%	U.S. Bonds 3.22%
Worst ↓	Global Bonds -6.88%	U.S. Bonds 3.94%	U.S. Equities -10.53%	Emerging Markets Equities -41.44%	U.S. Bonds -10.04%	Global Bonds 0.04%	Emerging Markets Equities -16.15%	U.S. Bonds 1.91%	Canadian Bonds -1.19%	International Equities 4.12%	Canadian Equities -8.32%	International Equities -2.00%	U.S. Bonds -3.26%	Canadian Equities -8.89%	Global Bonds 1.44%

■ Emerging Markets Equities MSCI EM GRI; ■ Canadian Equities S&P/TSX Composite TR; ■ International Equities MSCI EAFE; ■ Canadian Bonds FTSE TMX Canada Universe Bond Index[†]; ■ U.S. Equities S&P 500 TR; ■ U.S. Bonds Barclays U.S. Aggregate Bond TRI; ■ Global Bonds Barclays Global Aggregate Bond TRI.



RISK IS MORE PREDICTABLE THAN RETURNS

Higher returns often come with higher risks. That's why it's important to look beyond returns when choosing a potential investment.

STANDARD DEVIATION OF KEY ASSET CLASSES IN CDN\$

Standard deviation is one way to measure risk. The more volatile the asset class, the higher its standard deviation.

	2003-2005	2004-2006	2005-2007	2006-2008	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014	2013-2015	2014-2016	2015-2017	2016-2018	2017-2019
Emerging Markets Equities	16.12%	16.80%	16.10%	22.53%	23.06%	23.27%	17.23%	14.96%	14.24%	11.54%	11.42%	12.80%	13.05%	12.35%	11.51%
International Equities	11.46%	10.14%	10.62%	17.27%	19.74%	20.23%	15.01%	12.66%	11.10%	9.13%	10.82%	12.08%	12.70%	10.75%	10.66%
U.S. Equities	10.55%	9.69%	9.33%	14.71%	16.42%	18.16%	14.90%	11.64%	10.24%	8.31%	9.98%	10.68%	11.21%	10.31%	9.11%
Canadian Equities	9.72%	9.43%	9.09%	12.06%	14.41%	15.32%	12.75%	9.70%	8.46%	6.91%	9.19%	10.19%	11.10%	8.11%	8.82%
U.S. Bonds	7.42%	8.00%	8.87%	11.82%	13.76%	13.48%	11.74%	8.70%	8.05%	6.74%	8.47%	8.93%	9.40%	7.91%	7.80%
Global Bonds	6.85%	7.01%	8.63%	11.79%	13.51%	12.87%	9.81%	7.25%	5.61%	5.23%	8.28%	8.32%	7.40%	7.27%	6.97%
Canadian Bonds	3.62%	3.13%	3.04%	3.62%	3.60%	3.77%	3.25%	3.00%	3.19%	3.10%	4.14%	4.04%	4.28%	3.43%	3.62%

Franklin Templeton offers a wide range of professionally managed mutual funds and ETFs covering many key asset classes. Visit franklintempleton.ca/whydiversify to learn more.

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