



FRANKLIN TEMPLETON INVESTMENTS

Why Diversify? Risk Is More Predictable Than Returns.

INVESTMENT RETURNS FLUCTUATE BUT RELATIVE RISK IS MORE CONSISTENT (as measured by standard deviation in CDN\$)

	1991-1993	1992-1994	1993-1995	1994-1996	1995-1997	1996-1998	1997-1999	1998-2000	1999-2001	2000-2002	2001-2003	2002-2004	2003-2005	2004-2006	2005-2007	2006-2008	2007-2009	2008-2010	2009-2011	2010-2012	
EMERGING MARKETS EQUITIES	18.90%	19.02%	18.42%	15.30%	25.19%	33.52%	39.19%	36.74%	31.24%	24.80%	24.67%	20.03%	17.66%	19.68%	19.69%	28.41%	27.51%	26.66%	19.07%	17.45%	
FOREIGN EQUITIES	17.79%	16.20%	15.05%	12.42%	17.21%	25.66%	28.56%	27.21%	23.52%	22.19%	21.69%	17.67%	16.12%	16.80%	16.09%	23.46%	26.37%	26.45%	18.86%	16.40%	
EUROPEAN EQUITIES	15.86%	13.80%	12.44%	12.07%	13.85%	19.63%	20.35%	22.93%	21.34%	20.96%	19.75%	17.09%	14.63%	13.99%	14.93%	22.53%	23.06%	23.27%	18.58%	15.58%	
U.S. SMALL CAPS	15.81%	13.43%	12.00%	11.39%	12.85%	19.33%	20.25%	21.54%	20.94%	20.27%	18.14%	16.56%	13.92%	13.74%	13.03%	17.01%	19.84%	21.37%	17.69%	14.96%	
GLOBAL EQUITIES	13.22%	11.73%	11.63%	11.33%	12.51%	17.19%	17.66%	21.43%	19.21%	19.34%	17.08%	14.48%	13.26%	11.42%	10.63%	16.78%	19.68%	20.35%	17.23%	13.85%	
U.S. LARGE CAPS	12.04%	11.73%	10.93%	10.23%	12.22%	14.27%	15.21%	15.67%	15.27%	16.61%	16.48%	14.47%	11.76%	10.35%	10.37%	16.17%	18.57%	20.23%	15.75%	12.66%	
CANADIAN SMALL CAPS	11.55%	11.43%	10.51%	9.71%	11.01%	14.16%	14.92%	15.37%	14.72%	16.05%	16.01%	14.27%	11.46%	10.13%	9.33%	15.86%	17.86%	19.85%	15.26%	12.04%	
CANADIAN LARGE CAPS	10.02%	9.12%	8.75%	9.60%	10.31%	13.50%	14.75%	14.94%	13.43%	15.79%	15.86%	14.02%	10.55%	9.69%	9.28%	14.71%	16.42%	18.16%	14.90%	11.50%	
GLOBAL HIGH YIELD BONDS	6.79%	7.20%	6.60%	6.87%	10.30%	12.91%	13.62%	14.68%	13.11%	14.37%	15.36%	13.94%	10.37%	9.43%	9.09%	12.59%	14.56%	15.87%	12.90%	9.78%	
GLOBAL BONDS	6.67%	6.25%	5.99%	5.40%	9.69%	12.89%	13.34%	14.27%	12.93%	13.35%	15.13%	11.61%	9.72%	9.00%	8.87%	12.06%	14.41%	15.32%	12.75%	9.70%	
CANADIAN BONDS	5.90%	5.98%	5.66%	5.39%	5.61%	5.96%	7.31%	7.19%	7.44%	8.45%	8.49%	7.54%	7.42%	8.00%	8.63%	11.82%	13.76%	13.48%	11.74%	8.70%	
U.S. BONDS	5.50%	5.86%	4.85%	4.89%	5.30%	5.90%	6.33%	6.14%	6.69%	6.96%	7.63%	7.41%	7.38%	7.94%	8.22%	11.79%	13.51%	12.87%	9.81%	7.25%	
					U.S. BONDS	U.S. BONDS	GLOBAL HIGH YIELD BONDS	U.S. BONDS	U.S. BONDS	U.S. BONDS	GLOBAL BONDS	GLOBAL BONDS	GLOBAL BONDS	GLOBAL BONDS	GLOBAL EQUITIES	GLOBAL HIGH YIELD BONDS	GLOBAL HIGH YIELD BONDS	GLOBAL HIGH YIELD BONDS	GLOBAL HIGH YIELD BONDS	GLOBAL HIGH YIELD BONDS	
					5.13%	5.76%	6.08%	6.00%	6.07%	6.51%	7.62%	7.08%	6.85%	7.01%	8.07%	10.50%	12.50%	11.67%	8.72%	5.39%	
					GLOBAL HIGH YIELD BONDS	CANADIAN BONDS	CANADIAN BONDS	CANADIAN BONDS	CANADIAN BONDS	CANADIAN BONDS	CANADIAN BONDS	CANADIAN BONDS	CANADIAN BONDS	CANADIAN BONDS	CANADIAN BONDS	CANADIAN BONDS	CANADIAN BONDS	CANADIAN BONDS	CANADIAN BONDS	CANADIAN BONDS	CANADIAN BONDS
					4.37%	4.75%	4.23%	3.95%	4.01%	3.76%	4.17%	3.75%	3.62%	3.13%	3.04%	3.62%	3.60%	3.77%	3.25%	3.00%	

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 www.franklintempleton.ca/whydiversify

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