



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\$)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Emerging Markets Equities	32.08%	18.55%	31.64%	52.03%	17.61%	10.51%	16.00%	41.27%	23.93%	21.59%	21.08%	28.70%	9.02%	24.84%	16.61%
International Equities	26.37%	9.83%	31.07%	35.05%	12.98%	9.67%	15.29%	31.57%	15.52%	20.59%	8.09%	17.36%	7.70%	22.88%	16.32%
Canadian Equities	17.26%	3.68%	6.42%	12.49%	9.06%	8.26%	13.43%	12.99%	10.55%	19.46%	7.74%	13.83%	4.23%	16.45%	8.68%
U.S. Equities	15.35%	-5.32%	-21.20%	7.39%	6.74%	4.64%	7.19%	4.55%	9.65%	16.15%	1.66%	9.10%	1.41%	12.89%	7.28%
Global Bonds	6.23%	-7.15%	-28.78%	5.41%	2.56%	-8.71%	3.60%	4.29%	8.79%	3.52%	-0.90%	2.52%	-5.55%	6.87%	6.38%
Canadian Bonds	4.06%	-9.28%	-33.00%	-9.19%	0.98%	-9.55%	2.01%	3.94%	7.03%	2.42%	-1.45%	0.34%	-6.52%	3.22%	5.62%
U.S. Bonds	3.94%	-10.53%	-41.44%	-10.04%	0.04%	-16.15%	1.91%	-1.19%	4.12%	-8.32%	-2.00%	-3.26%	-8.89%	1.44%	5.60%

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

Source: Morningstar Research Inc., December 31, 2020.

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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.

	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	2018-2020
Emerging Markets Equities	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%	17.01%
Canadian Equities	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%	14.36%
International Equities	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%	13.71%
U.S. Equities	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%	12.77%
U.S. Bonds	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%	7.98%
Global Bonds	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%	6.53%
Canadian Bonds	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%	4.24%

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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