FRANKLIN TEMPLETON INVESTMENTS

Returns Are Random

The chart below shows the variability of asset class performance on a year-by-year basis from 1996 through 2015. The best-performing asset class for each calendar year is at the top of each column. Please remember, past performance does not guarantee future results.

ANNUAL TOTAL RETURNS OF KEY ASSET CLASSES 1996–2015[1]

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Best	LARGE GROWTH STOCKS 23.97%	LARGE GROWTH STOCKS 36.53%	LARGE GROWTH STOCKS 42.16%	EMERGING MARKET STOCKS 66.41%	SMALL VALUE STOCKS 22.83%	SMALL VALUE STOCKS 14.02%	GLOBAL BONDS 19.49%	EMERGING MARKET STOCKS 56.28%	EMERGING MARKET STOCKS 25.95%	EMERGING MARKET STOCKS 34.54%	EMERGING MARKET STOCKS 32.55%	EMERGING MARKET STOCKS 39.82%	GLOBAL BONDS 10.89%	EMERGING MARKET STOCKS 79.02%	SMALL GROWTH STOCKS 29.09%	BONDS 7.84%	EMERGING MARKET STOCKS 18.63%	SMALL GROWTH STOCKS 43.30%	LARGE GROWTH STOCKS 14.89%	LARGE GROWTH STOCKS 5.52%
	LARGE VALUE STOCKS 21.99%	SMALL VALUE STOCKS 31.78%	FOREIGN STOCKS 20.33%	SMALL GROWTH STOCKS 43.09%	BONDS 11.63%	BONDS 8.44%	BONDS 10.26%	SMALL GROWTH STOCKS 48.54%	SMALL VALUE STOCKS 22.25%	FOREIGN STOCKS 14.02%	FOREIGN STOCKS 26.86%	FOREIGN STOCKS 11.63%	BONDS 5.24%	HIGH YIELD BONDS 54.22%	SMALL VALUE STOCKS 24.50%	GLOBAL BONDS 6.35%	SMALL VALUE STOCKS 18.05%	SMALL VALUE STOCKS 34.52%	LARGE VALUE STOCKS 12.36%	BONDS 0.55%
	SMALL VALUE STOCKS 21.37%	LARGE VALUE STOCKS 29.98%	GLOBAL BONDS 15.30%	HEDGE STRATEGY COMPOSITE 31.29%	LARGE VALUE STOCKS 6.08%	HIGH YIELD BONDS 5.80%	HIGH YIELD BONDS 3.10%	SMALL VALUE STOCKS 46.03%	FOREIGN STOCKS 20.70%	HEDGE STRATEGY COMPOSITE 9.30%	SMALL VALUE STOCKS 23.48%	GLOBAL BONDS 10.95%	HEDGE STRATEGY COMPOSITE -19.03%	SMALL GROWTH STOCKS 34.47%	EMERGING MARKET STOCKS 19.20%	HIGH YIELD BONDS 5.47%	FOREIGN STOCKS 17.90%	LARGE GROWTH STOCKS 32.75%	BONDS 5.97%	FOREIGN STOCKS -0.39%
	HEDGE STRATEGY COMPOSITE 21.10%	HEDGE STRATEGY COMPOSITE 16.79%	LARGE VALUE STOCKS 14.67%	LARGE GROWTH STOCKS 28.25%	HEDGE STRATEGY COMPOSITE 4.98%	HEDGE STRATEGY COMPOSITE 4.62%	HEDGE STRATEGY COMPOSITE -1.45%	FOREIGN STOCKS 39.17%	LARGE VALUE STOCKS 15.71%	LARGE VALUE STOCKS 5.82%	LARGE VALUE STOCKS 20.80%	HEDGE STRATEGY COMPOSITE 9.96%	HIGH YIELD BONDS -26.17%	FOREIGN STOCKS 32.46%	LARGE VALUE STOCKS 15.10%	LARGE GROWTH STOCKS 4.65%	LARGE VALUE STOCKS 17.68%	LARGE VALUE STOCKS 31.99%	SMALL GROWTH STOCKS 5.60%	HEDGE STRATEGY COMPOSITE -1.02%
	HIGH YIELD BONDS 12.42%	SMALL GROWTH STOCKS 12.95%	BONDS 8.69%	FOREIGN STOCKS 27.30%	GLOBAL BONDS 1.59%	GLOBAL BONDS -0.99%	EMERGING MARKET STOCKS -6.00%	LARGE VALUE STOCKS 31.79%	SMALL GROWTH STOCKS 14.31%	SMALL VALUE STOCKS 4.71%	SMALL GROWTH STOCKS 13.35%	LARGE GROWTH STOCKS 9.13%	SMALL VALUE STOCKS -28.92%	LARGE GROWTH STOCKS 31.57%	LARGE GROWTH STOCKS 15.05%	LARGE VALUE STOCKS -0.48%	HIGH YIELD BONDS 14.71%	FOREIGN STOCKS 23.29%	SMALL VALUE STOCKS 4.22%	SMALL GROWTH STOCKS -1.38%
	SMALL GROWTH STOCKS 11.26%	HIGH YIELD BONDS 12.63%	HEDGE STRATEGY COMPOSITE 2.62%	LARGE VALUE STOCKS 12.72%	HIGH YIELD BONDS -5.21%	EMERGING MARKET STOCKS -2.37%	SMALL VALUE STOCKS -11.43%	HIGH YIELD BONDS 27.94%	HIGH YIELD BONDS 11.95%	SMALL GROWTH STOCKS 4.15%	HEDGE STRATEGY COMPOSITE 12.89%	SMALL GROWTH STOCKS 7.05%	LARGE GROWTH STOCKS -34.92%	LARGE VALUE STOCKS 21.18%	HIGH YIELD BONDS 14.42%	SMALL GROWTH STOCKS -2.91%	LARGE GROWTH STOCKS 14.61%	HEDGE STRATEGY COMPOSITE 9.13%	HEDGE STRATEGY COMPOSITE 2.98%	LARGE VALUE STOCKS -3.13%
	FOREIGN STOCKS 6.36%	BONDS 9.65%	SMALL GROWTH STOCKS 1.23%	HIGH YIELD BONDS 3.28%	FOREIGN STOCKS -13.96%	SMALL GROWTH STOCKS -9.23%	FOREIGN STOCKS -15.66%	LARGE GROWTH STOCKS 25.66%	GLOBAL BONDS 10.35%	LARGE GROWTH STOCKS 4.00%	HIGH YIELD BONDS 11.92%	BONDS 6.97%	SMALL GROWTH STOCKS -38.54%	SMALL VALUE STOCKS 20.58%	HEDGE STRATEGY COMPOSITE 10.25%	HEDGE STRATEGY COMPOSITE -5.25%	SMALL GROWTH STOCKS 14.59%	HIGH YIELD BONDS 7.53%	HIGH YIELD BONDS 1.86%	GLOBAL BONDS -3.57%
	EMERGING MARKET STOCKS 6.03%	FOREIGN STOCKS 2.06%	HIGH YIELD BONDS 0.58%	BONDS -0.82%	LARGE GROWTH STOCKS -22.08%	LARGE VALUE STOCKS -11.71%	LARGE VALUE STOCKS -20.85%	HEDGE STRATEGY COMPOSITE 19.55%	HEDGE STRATEGY COMPOSITE 9.03%	BONDS 2.43%	LARGE GROWTH STOCKS 11.01%	HIGH YIELD BONDS 2.65%	LARGE VALUE STOCKS -39.22%	HEDGE STRATEGY COMPOSITE 19.98%	FOREIGN STOCKS 8.21%	SMALL VALUE STOCKS -5.50%	HEDGE STRATEGY COMPOSITE 6.36%	BONDS -2.02%	GLOBAL BONDS -0.48%	HIGH YIELD BONDS -4.93%
	BONDS 3.63%	GLOBAL BONDS 0.23%	SMALL VALUE STOCKS -6.45%	SMALL VALUE STOCKS -1.49%	SMALL GROWTH STOCKS -22.43%	LARGE GROWTH STOCKS -12.73%	LARGE GROWTH STOCKS -23.59%	GLOBAL BONDS 14.91%	LARGE GROWTH STOCKS 6.13%	HIGH YIELD BONDS 2.26%	GLOBAL BONDS 6.12%	LARGE VALUE STOCKS 1.99%	FOREIGN STOCKS -43.06%	BONDS 5.93%	BONDS 6.54%	FOREIGN STOCKS -11.73%	BONDS 4.21%	EMERGING MARKET STOCKS -2.27%	EMERGING MARKET STOCKS -1.82%	SMALL VALUE STOCKS -7.47%
Worst	GLOBAL BONDS 3.62%	EMERGING MARKET STOCKS -11.59%	EMERGING MARKET STOCKS -25.34%	GLOBAL BONDS -4.27%	EMERGING MARKET STOCKS -30.61%	FOREIGN STOCKS -21.21%	SMALL GROWTH STOCKS -30.26%	BONDS 4.10%	BONDS 4.34%	GLOBAL BONDS -6.88%	BONDS 4.33%	SMALL VALUE STOCKS -9.78%	EMERGING MARKET STOCKS -53.18%	GLOBAL BONDS 2.55%	GLOBAL BONDS 5.17%	EMERGING MARKET STOCKS -18.17%	GLOBAL BONDS 1.65%	GLOBAL BONDS -4.00%	FOREIGN STOCKS -4.48%	EMERGING MARKET STOCKS -14.60%

1. Source: Morningstar. Large growth stocks are represented by the S&P 500 Growth Index; Large value stocks are represented by the S&P 500 Value Index; Small growth stocks are represented by the Russell 2000 Growth Index; Small value stocks are represented by the Russell 2000 Value Index; Foreign stocks are represented by the MSCI EAFE Index; Bonds are represented by the Barclays U.S. Aggregate Bond Index; High yield bonds are represented by the Credit Suisse High Yield Index; Emerging market stocks are represented by the MSCI Emerging Markets Index; Global bonds are represented by the Citigroup World Government Bond Index; Hedge Strategies are represented by the HFRI Fund Weighted Composite Index.

Certain asset classes carry relatively higher risks. Small capitalization and emerging markets stocks can be more volatile than large capitalization stocks. High-yield and global bonds have a higher risk of default and loss of principal compared to US investment grade bonds. Foreign stocks and global bonds involve special risks, including currency fluctuations, and political and economic uncertainty. Emerging markets stocks involve heightened risks related to the same factors, in addition to those associated with their relatively small size and lesser liquidity. Hedge strategies entail significant risks and provide for only limited liquidity. See www.franklintempletondatasources.com for additional data provider information. Indexes are unmanaged and one cannot invest directly in an index. All rights reserved. **Past performance is no guarantee of future results.**

Diversification does not guarantee a profit or protect against loss.

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IS RISK MORE PREDICTABLE?

While some asset classes may offer the potential for higher return, they are often associated with higher risk. The chart below shows the standard deviation, a risk measure, of various asset classes on a year-by-year basis from 1996–2015. Historically, there has been a clearer pattern of relative risk. That's why it's important to look beyond returns when evaluating a potential investment.

ANNUALIZED STANDARD DEVIATIONS OF KEY ASSET CLASSES 1996–2015[1,2]

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Highest Risk	EMERGING MARKET STOCKS 15.83%	SMALL GROWTH STOCKS 18.27%	EMERGING MARKET STOCKS 27.36%	EMERGING MARKET STOCKS 30.74%	SMALL GROWTH STOCKS 33.28%	SMALL GROWTH STOCKS 33.58%	SMALL GROWTH STOCKS 33.33%	SMALL GROWTH STOCKS 27.00%	SMALL GROWTH STOCKS 21.40%	SMALL GROWTH STOCKS 16.51%	EMERGING MARKET STOCKS 17.32%	EMERGING MARKET STOCKS 18.11%	EMERGING MARKET STOCKS 28.68%	EMERGING MARKET STOCKS 32.36%	EMERGING MARKET STOCKS 32.59%	SMALL VALUE STOCKS 26.05%	EMERGING MARKET STOCKS 21.49%	EMERGING MARKET STOCKS 19.03%	EMERGING MARKET STOCKS 14.99%	SMALL GROWTH STOCKS 14.95%
	SMALL GROWTH STOCKS 15.49%	EMERGING MARKET STOCKS 17.50%	SMALL GROWTH STOCKS 25.03%	SMALL GROWTH STOCKS 26.31%	EMERGING MARKET STOCKS 29.68%	EMERGING MARKET STOCKS 25.43%	EMERGING MARKET STOCKS 22.93%	EMERGING MARKET STOCKS 23.03%	EMERGING MARKET STOCKS 17.59%	EMERGING MARKET STOCKS 16.42%	SMALL GROWTH STOCKS 15.57%	SMALL GROWTH STOCKS 14.23%	SMALL GROWTH STOCKS 21.26%	SMALL VALUE STOCKS 25.62%	SMALL VALUE STOCKS 28.37%	EMERGING MARKET STOCKS 25.76%	SMALL GROWTH STOCKS 20.72%	SMALL GROWTH STOCKS 17.27%	SMALL GROWTH STOCKS 13.82%	EMERGING MARKET STOCKS 14.04%
	FOREIGN STOCKS 10.88%	LARGE GROWTH STOCKS 12.31%	LARGE GROWTH STOCKS 16.78%	LARGE GROWTH STOCKS 17.55%	LARGE GROWTH STOCKS 20.66%	LARGE GROWTH STOCKS 20.73%	LARGE GROWTH STOCKS 21.14%	LARGE VALUE STOCKS 18.82%	SMALL VALUE STOCKS 17.51%	SMALL VALUE STOCKS 14.09%	SMALL VALUE STOCKS 12.33%	SMALL VALUE STOCKS 12.59%	FOREIGN STOCKS 19.26%	SMALL GROWTH STOCKS 24.85%	SMALL GROWTH STOCKS 27.70%	SMALL GROWTH STOCKS 24.31%	SMALL VALUE STOCKS 19.89%	FOREIGN STOCKS 16.22%	FOREIGN STOCKS 12.99%	SMALL VALUE STOCKS 13.46%
	LARGE VALUE STOCKS 10.05%	FOREIGN STOCKS 12.10%	LARGE VALUE STOCKS 15.94%	LARGE VALUE STOCKS 16.74%	LARGE VALUE STOCKS 17.50%	LARGE VALUE STOCKS 16.01%	LARGE VALUE STOCKS 18.79%	SMALL VALUE STOCKS 18.42%	LARGE VALUE STOCKS 16.43%	FOREIGN STOCKS 11.39%	FOREIGN STOCKS 9.29%	FOREIGN STOCKS 9.41%	SMALL VALUE STOCKS 19.14%	FOREIGN STOCKS 23.65%	FOREIGN STOCKS 26.28%	FOREIGN STOCKS 22.45%	FOREIGN STOCKS 19.32%	SMALL VALUE STOCKS 15.82%	SMALL VALUE STOCKS 12.79%	FOREIGN STOCKS 12.47%
	LARGE GROWTH STOCKS 9.79%	LARGE VALUE STOCKS 10.55%	SMALL VALUE STOCKS 15.10%	SMALL VALUE STOCKS 16.32%	SMALL VALUE STOCKS 16.61%	FOREIGN STOCKS 15.17%	SMALL VALUE STOCKS 17.39%	LARGE GROWTH STOCKS 18.40%	FOREIGN STOCKS 15.45%	LARGE VALUE STOCKS 10.34%	LARGE GROWTH STOCKS 7.43%	LARGE VALUE STOCKS 8.00%	LARGE VALUE STOCKS 15.83%	LARGE VALUE STOCKS 21.94%	LARGE VALUE STOCKS 23.90%	LARGE VALUE STOCKS 21.10%	LARGE VALUE STOCKS 15.76%	LARGE VALUE STOCKS 12.97%	LARGE VALUE STOCKS 9.46%	LARGE GROWTH STOCKS 10.77%
	SMALL VALUE STOCKS 9.36%	SMALL VALUE STOCKS 9.41%	FOREIGN STOCKS 14.76%	FOREIGN STOCKS 15.92%	FOREIGN STOCKS 15.76%	SMALL VALUE STOCKS 14.65%	FOREIGN STOCKS 16.03%	FOREIGN STOCKS 17.83%	LARGE GROWTH STOCKS 14.04%	LARGE GROWTH STOCKS 8.39%	LARGE VALUE STOCKS 6.74%	LARGE GROWTH STOCKS 7.83%	LARGE GROWTH STOCKS 15.14%	LARGE GROWTH STOCKS 18.34%	LARGE GROWTH STOCKS 20.86%	LARGE GROWTH STOCKS 17.06%	LARGE GROWTH STOCKS 14.87%	LARGE GROWTH STOCKS 11.26%	LARGE GROWTH STOCKS 9.00%	LARGE VALUE STOCKS 10.59%
	GLOBAL BONDS 5.30%	GLOBAL BONDS 5.96%	HEDGE STRATEGY COMPOSITE 8.47%	HEDGE STRATEGY COMPOSITE 9.57%	HEDGE STRATEGY COMPOSITE 10.44%	HEDGE STRATEGY COMPOSITE 8.99%	HIGH YIELD BONDS 8.38%	HIGH YIELD BONDS 8.37%	GLOBAL BONDS 7.50%	GLOBAL BONDS 7.24%	GLOBAL BONDS 5.86%	GLOBAL BONDS 5.48%	HIGH YIELD BONDS 12.54%	HIGH YIELD BONDS 15.54%	HIGH YIELD BONDS 15.64%	HIGH YIELD BONDS 9.70%	HIGH YIELD BONDS 6.36%	HIGH YIELD BONDS 5.88%	HIGH YIELD BONDS 4.39%	HIGH YIELD BONDS 5.34%
	HEDGE STRATEGY COMPOSITE 4.87%	HEDGE STRATEGY COMPOSITE 5.54%	HIGH YIELD BONDS 5.85%	GLOBAL BONDS 6.04%	HIGH YIELD BONDS 6.72%	HIGH YIELD BONDS 7.33%	HEDGE STRATEGY COMPOSITE 7.46%	GLOBAL BONDS 7.69%	HIGH YIELD BONDS 6.19%	HIGH YIELD BONDS 4.91%	HEDGE STRATEGY COMPOSITE 4.44%	HEDGE STRATEGY COMPOSITE 4.73%	HEDGE STRATEGY COMPOSITE 7.90%	GLOBAL BONDS 8.83%	GLOBAL BONDS 9.26%	GLOBAL BONDS 7.57%	HEDGE STRATEGY COMPOSITE 6.02%	HEDGE STRATEGY COMPOSITE 5.23%	GLOBAL BONDS 4.28%	GLOBAL BONDS 4.39%
	BONDS 4.59%	BONDS 4.00%	GLOBAL BONDS 5.43%	HIGH YIELD BONDS 6.01%	GLOBAL BONDS 6.64%	GLOBAL BONDS 6.32%	GLOBAL BONDS 7.34%	HEDGE STRATEGY COMPOSITE 5.61%	HEDGE STRATEGY COMPOSITE 4.78%	HEDGE STRATEGY COMPOSITE 4.27%	HIGH YIELD BONDS 3.55%	HIGH YIELD BONDS 4.24%	GLOBAL BONDS 7.39%	HEDGE STRATEGY COMPOSITE 8.49%	HEDGE STRATEGY COMPOSITE 8.73%	HEDGE STRATEGY COMPOSITE 6.73%	GLOBAL BONDS 5.52%	GLOBAL BONDS 4.60%	HEDGE STRATEGY COMPOSITE 3.86%	HEDGE STRATEGY COMPOSITE 3.84%
Lowest Risk	HIGH YIELD BONDS 3.78%	HIGH YIELD BONDS 2.78%	BONDS 3.52%	BONDS 3.20%	BONDS 3.01%	BONDS 3.34%	BONDS 3.35%	BONDS 4.20%	BONDS 4.28%	BONDS 4.07%	BONDS 3.21%	BONDS 2.77%	BONDS 3.97%	BONDS 4.11%	BONDS 4.17%	BONDS 2.78%	BONDS 2.38%	BONDS 2.71%	BONDS 2.63%	BONDS 2.88%

All investments involve risks, including possible loss of principal. Investors should carefully consider a fund's investment goals, risks, charges and expenses before investing. To obtain a summary prospectus and/or prospectus, which contains this and other information, talk to your financial advisor, call us at (800) DIAL BEN/342-5236 or visit ***franklintempleton.com****. Please carefully read a prospectus before you invest or send money.*

Past performance does not guarantee future results. The indexes above do not represent the performance of any Franklin Templeton fund.

2. Source: Morningstar. Standard deviation is a statistical measurement of the range of an asset class's total returns over the rolling three-year period ending on December 31 of the illustrated year. In general, a higher standard deviation means greater volatility. See www.franklintempletondatasources.com for additional data provider information.

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