



The Power of Perseverance

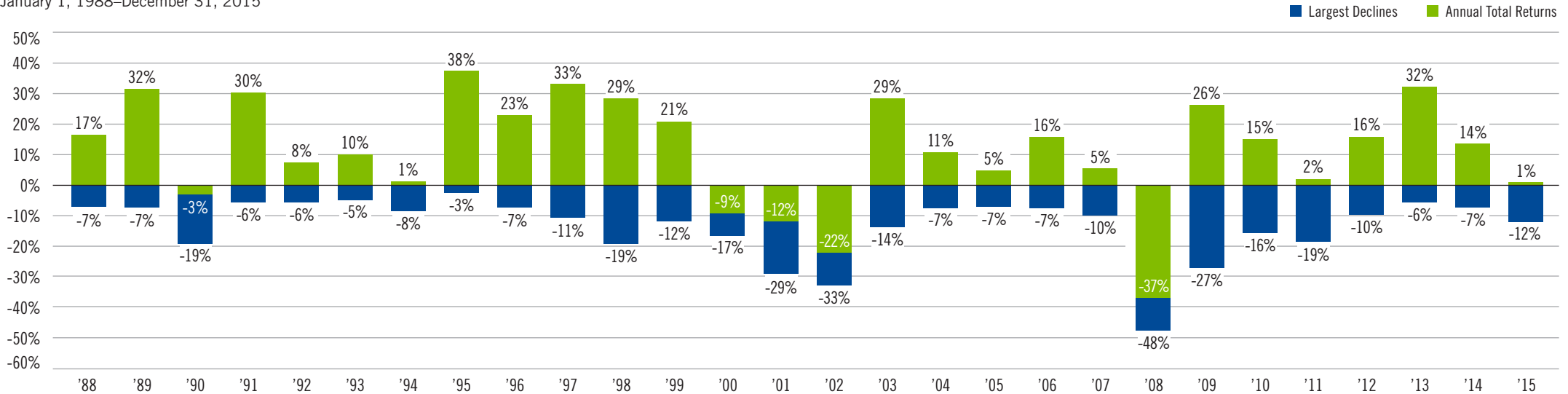
THE CASE FOR STAYING INVESTED

Although short-term volatility swings can be difficult to stomach, it's important for long-term investors to persevere. While it may be tempting to pull out of the stock market, investors may miss out on a potential market rebound and opportunity for gains while they are on the sidelines.

In the chart below, the blue bars represent the largest declines from a “peak” (high) to a “trough” (low) that occurred each year. Despite intra-year volatility, the S&P 500 Index had positive year-end total returns 23 out of the last 28 years.

The US Stock Market's Largest Intra-Year Declines vs. Year-End Total Returns¹

January 1, 1988–December 31, 2015



This chart is for illustrative purposes only and does not reflect the performance of any Franklin Templeton fund. Past performance does not guarantee future results.

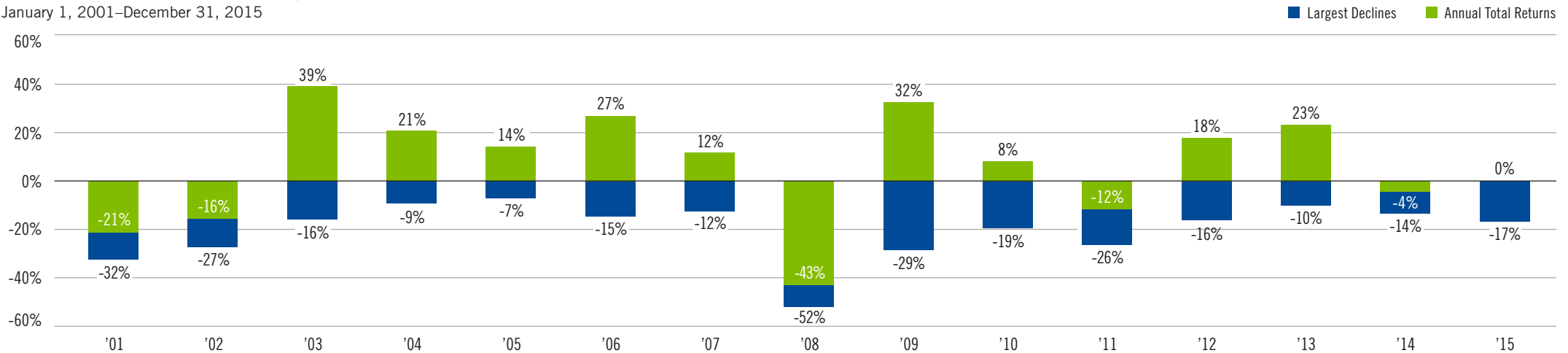
“To buy when others are despondently selling and to sell when others are buying requires the greatest fortitude and pays the greatest rewards.” SIR JOHN TEMPLETON

1. Source: © 2016 Morningstar. All Rights Reserved. See www.franklintempletondatasources.com for additional data provider information. Stocks are represented by the S&P 500 Index, a market capitalization-weighted index of 500 stocks designed to measure total U.S. equity market performance. International stocks are represented by the MSCI EAFE Index, a free float-adjusted, market capitalization-weighted index that is designed to measure the equity market performance of global developed markets, excluding the United States and Canada. Indexes are unmanaged and once cannot invest directly in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges.

A LOOK AT INTRA-YEAR VOLATILITY OUTSIDE THE US

The International Stock Market's Largest Intra-Year Declines vs. Year-End Total Returns¹

January 1, 2001–December 31, 2015



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STAY THE COURSE WITH FRANKLIN TEMPLETON

Many investors know that the best way to endure a bumpy stock market is to stay the course with a good long-term plan and well-diversified portfolio. However, sticking to these fundamentals is sometimes easier said than done. If you're rethinking your investment strategy or considering a new direction altogether, we recommend that you contact your financial adviser before making any changes to your portfolio.

All investments involve risks, including possible loss of principal. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments. Diversification does not guarantee a profit or protect against a loss.

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