

Ten decades of bulls and bears



Create a plan that's right for you

You've heard these expressions before:

"No pain, no gain," "No guts, no glory," "No risk, no reward."

In the world of investing, a direct relationship has historically existed between the potential for total returns and the amount of risk one is willing to assume. But it doesn't necessarily follow that you must throw caution to the wind to be a successful investor.

It does mean, however, that it's important to determine what kind of investor you are, how much risk you're willing to assume and the length of your investment horizon before selecting investments that match your personal style. An experienced financial professional can help you understand and make these decisions and assist you in establishing an appropriate investment plan. They offer market knowledge and planning expertise, and will take into account your individual investment needs to create an investment strategy tailored to your specific investment goals and risk tolerance.

This brochure introduces asset allocation, a time-tested strategy to diversify your portfolio. You'll follow five hypothetical asset allocation portfolios, ranging from conservative to aggressive, through ten decades, beginning with the 1930s and continuing through 2023. See how various portfolios would have fared over the long term, through wars, recessions, political changes, economic bumps and slumps, and human triumphs and tragedies. You'll find that long-term investors have been rewarded, and investment success depends more on "time in the market" than "timing the market."

And, as another old adage suggests: "Nothing ventured, nothing gained."

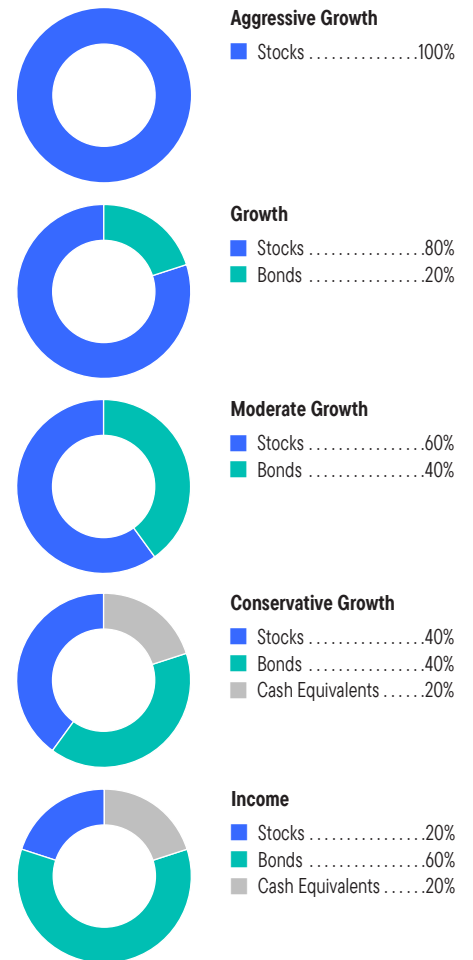
This brochure is general in nature and intended for educational purposes only; it should not be considered tax, legal or investment advice, or an investment recommendation. Consult your financial professional for personalized advice that is tailored to your specific goals, individual situation, and risk tolerance.

A closer look at hypothetical asset allocation portfolios

Asset allocation is the process of diversifying financial resources among various asset classes such as stocks, bonds and cash equivalents. We'll be discussing hypothetical portfolios that represent five general allocation plans, covering a variety of risk/reward scenarios. Stocks are represented by the Standard & Poor's 500 Index (S&P 500), bonds by long-term US government bonds and cash equivalents by US Treasury bills.¹

Keep in mind that the portfolios to the right are only hypothetical examples of asset allocation plans. You can allocate your own portfolio in many ways, even within the individual asset classes of stocks, bonds and cash equivalents. For example, an investor interested in stocks could choose from foreign and domestic securities, small-, mid- and large-capitalization stocks, and value and growth equities. Consult your financial professional to see which allocation approach may work best for you.²

These five hypothetical asset allocation portfolios are for illustrative purposes only, don't represent the performance of any Franklin Templeton fund and aren't intended as investment advice. As you read through this brochure, remember that past performance does not guarantee future results. Please keep in mind, average annual returns and hypothetical investment values do not reflect the fees and charges associated with specific investment products; if included, the results would be lower. Portfolios are rebalanced annually.



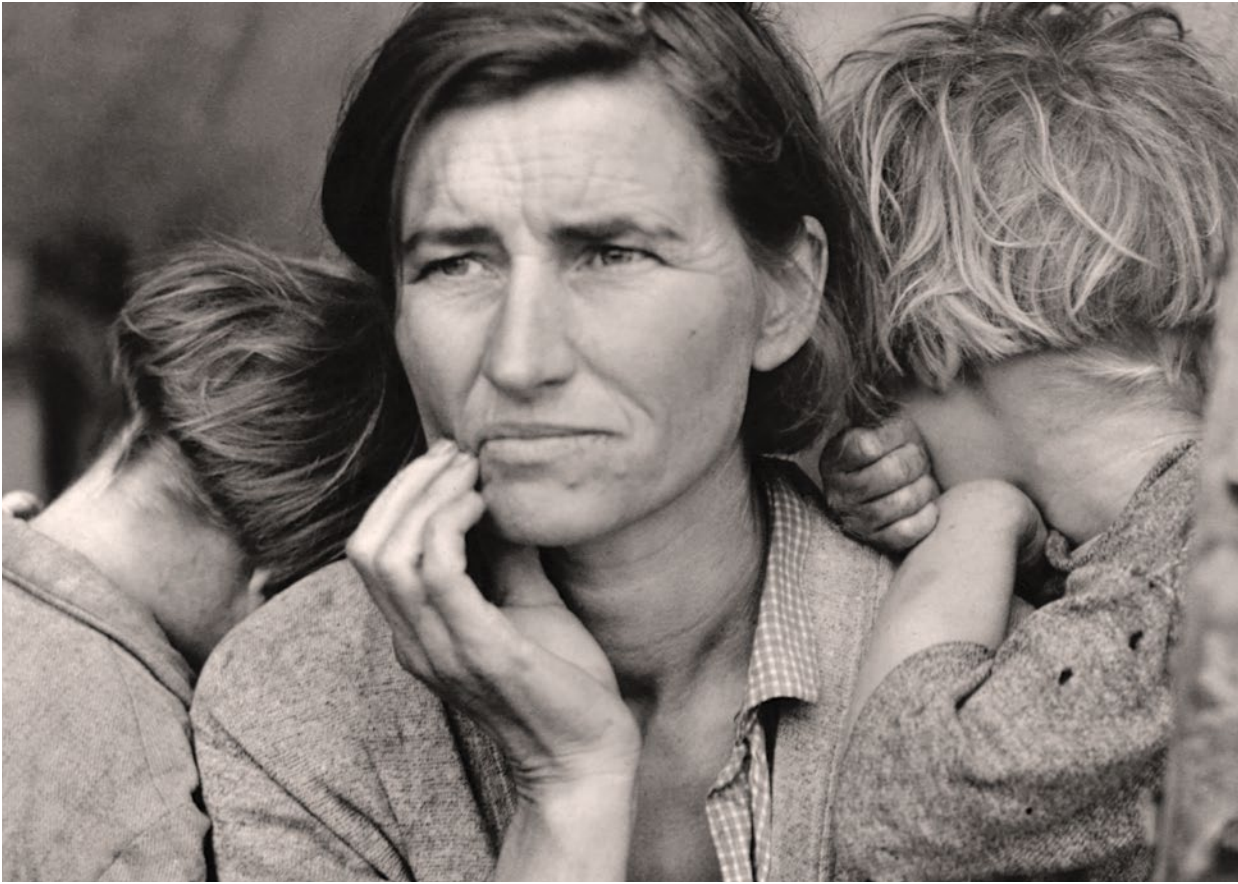
All investments involve risks, including possible loss of principal. Stock prices fluctuate, sometimes rapidly and dramatically, due to factors affecting individual companies, particular industries or sectors, or general market conditions. Bond prices generally move in the opposite direction of interest rates. As interest rates rise, bond prices often decline. Special risks are associated with foreign investing, including currency fluctuations, economic instability and political developments. Investments in emerging markets involve heightened risks related to the same factors, in addition to those associated with these markets' smaller size and lesser liquidity.

Diversification does not assure a profit or guarantee against a loss.

1. Source: Morningstar, Inc. All rights reserved. See www.franklintempletondatasources.com for additional data provider information.

Indexes are unmanaged and include reinvested dividends or interest. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index.

2. In selecting an asset allocation plan to meet your individual situation, you should consider a variety of factors, including your assets, income, age, investment objectives and risk tolerance.



'30s The Great Depression

During his 1933 inaugural address, Franklin Delano Roosevelt proclaimed, "The only thing we have to fear is fear itself." He later pledged a New Deal to aid the economy, introducing unemployment insurance and a new Social Security program that guaranteed income for retired Americans. Radio and Hollywood movies grew in popularity as entertainment provided people an escape from hard times.

Economic distress swept the nation after the October 1929 stock market crash. The Great Depression, which lasted from 1930 to 1936, bottomed in 1933 when one-fourth of the civilian labor force was unemployed. Each of the five asset allocation portfolios reflects meager market gains during this decade. The Income portfolio, with limited exposure to stocks, would have performed the best among the five hypothetical portfolios during this decade and was the least volatile based on standard deviation of returns.

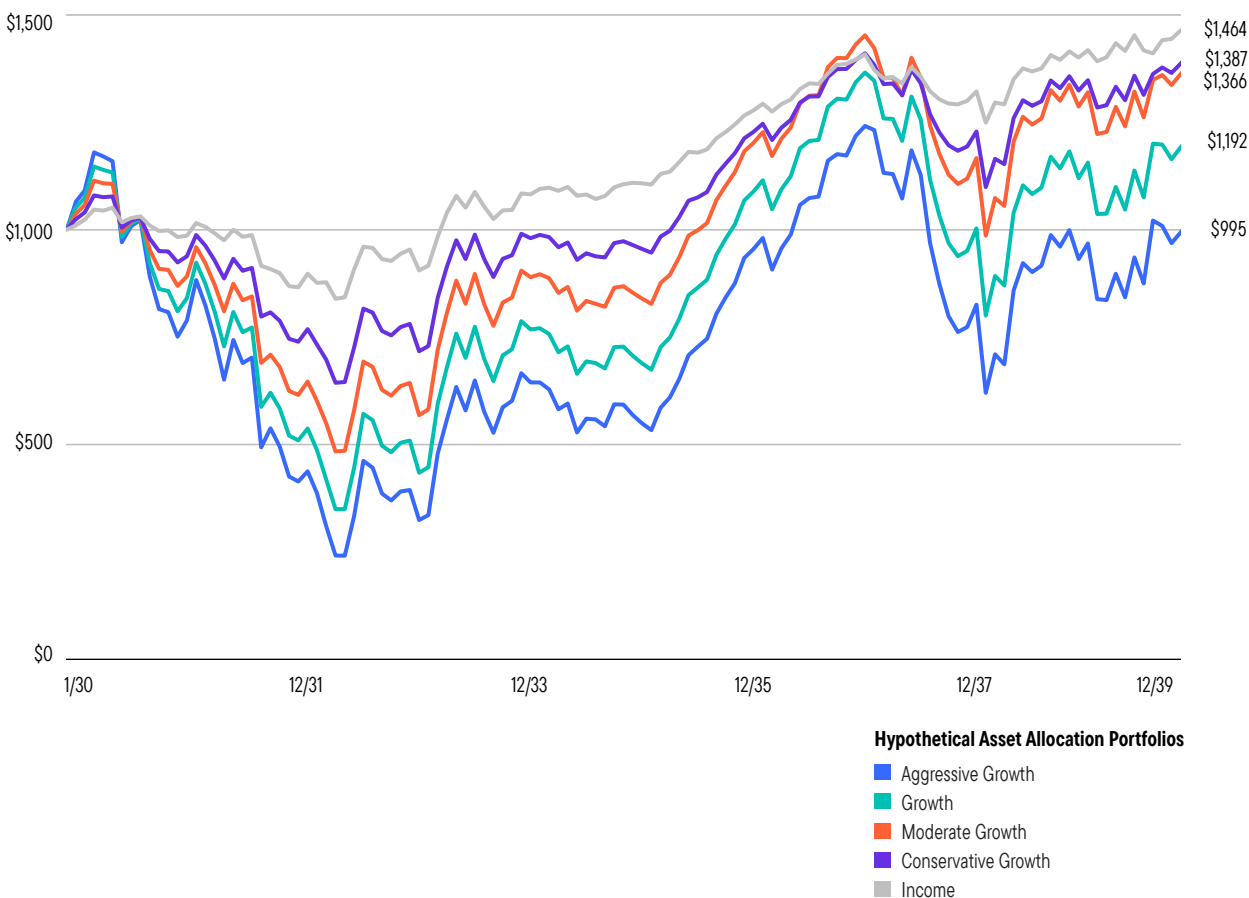
Decade at a Glance³

1/1/30–12/31/39

Average Annual Total Return		Average	
S&P 500	-0.05%	Short-Term Interest Rates	1.50%
Long-Term US Government Bonds	4.88%	Annual Inflation Rate	-2.05%
US Treasury Bills	0.55%	Unemployment Rate	18.23%

Growth of a \$1,000 Investment⁴

1/1/30–12/31/39



3. Source for S&P 500, long-term US government bonds and US Treasury bills: Morningstar. Source for short-term interest rates: Bloomberg. Short-term interest rates represented by the prime rate; date range for 1930s includes 1934–1939 (data unavailable prior to 1934). Source for annual inflation rate: Morningstar (US Bureau of Labor Statistics). Source for unemployment rate: US Bureau of Labor Statistics. Indexes are unmanaged and include reinvested dividends or interest. They do not reflect any fees, expenses or sales charges. One cannot invest directly in an index.

4. See page 1 of this brochure for percentage breakdowns of each hypothetical asset allocation portfolio.

Note: Unless otherwise noted, all historical, non-economic-related references were obtained from *The Grolier Multimedia Encyclopedia*.



'40s

An economy spurred by war

World War II turned Americans into soldiers, as President Roosevelt picked the first draft number. On the home front, big bands were the rage, *Casablanca* won an Academy Award, and Rosie the Riveter went to work in defense plants. After the war ended in August 1945, economic reconversion began, accompanied by a wave of price increases and labor strikes, as some government controls were lifted.

'40s An economy spurred by war

Japan's attack on Pearl Harbor on December 7, 1941, thrust the United States into World War II and a wartime economy. In the midst of price controls and consumer goods shortages, upward trends dominated the stock market from 1943 to 1946, with a vigorous bull market in 1945 as the war ended. Each of the five asset allocation portfolios, shown in the chart below, reflects wartime market gains during this decade. The Aggressive Growth portfolio, with its 100% exposure to stocks, outperformed the other hypothetical portfolios during this decade, while the Income portfolio was the least volatile based on standard deviation of returns.

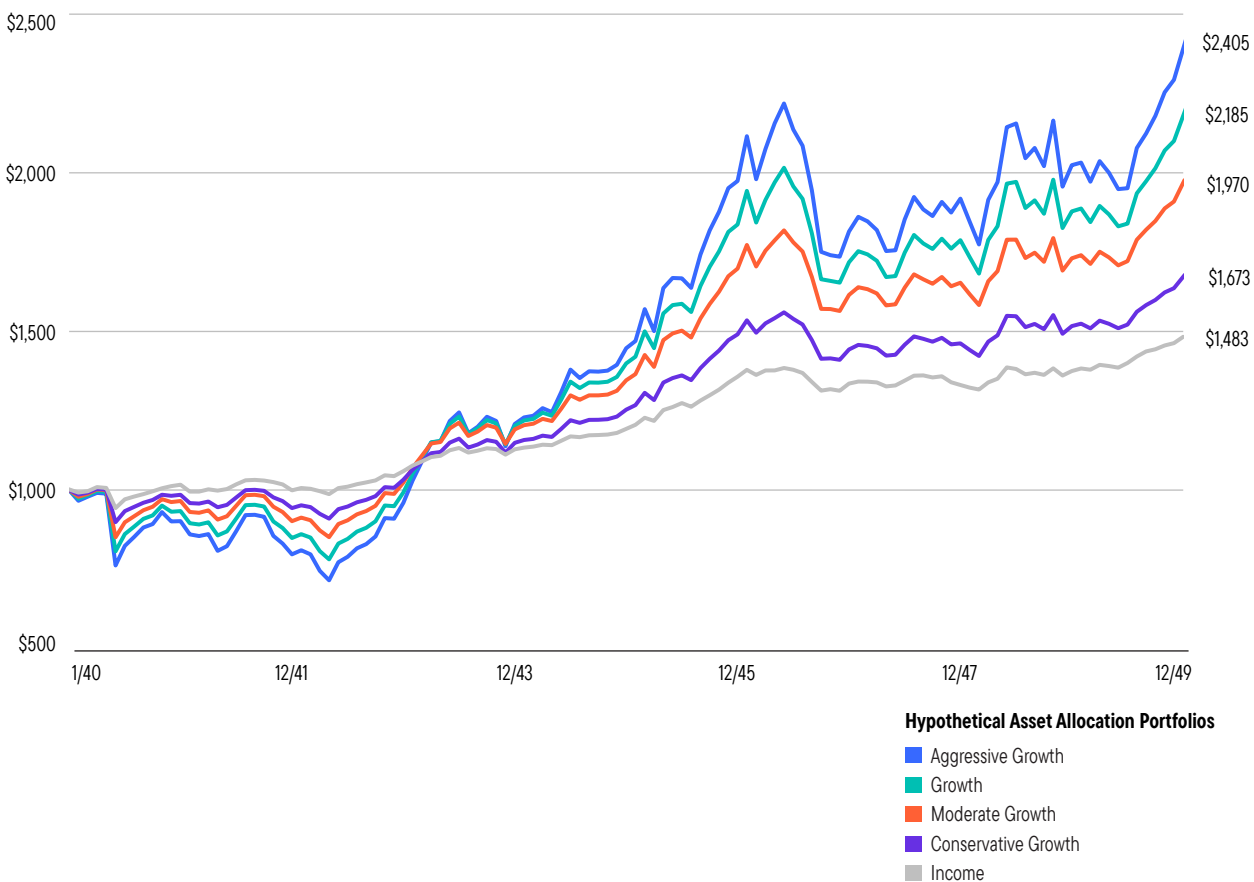
Decade at a Glance⁵

1/1/40–12/31/49

Average Annual Total Return		Average	
S&P 500	9.17%	Short-Term Interest Rates	1.59%
Long-Term US Government Bonds	3.24%	Annual Inflation Rate	5.41%
US Treasury Bills	0.41%	Unemployment Rate	5.17%

Growth of a \$1,000 Investment⁶

1/1/40–12/31/49



5. See footnote 3 on page 3 of this brochure for source information.

6. See page 1 of this brochure for percentage breakdowns of each hypothetical asset allocation portfolio.



'50s The Eisenhower years

Rosa Parks refused to give up her seat, sparking the Montgomery, Alabama, bus boycott and focusing the nation's attention on civil rights. Howdy Doody, Mickey Mouse and Roy Rogers were children's favorites. Elvis rocked the world, and automobiles and television sets swept the country. As Americans tried to keep up with the Joneses, consumerism flourished.

'50s The Eisenhower years

While President Eisenhower guided America through the early years of the Cold War, the stock market made gains and by year-end 1954, stock prices had reached their highest levels since 1929. This exuberance was followed by a bear market lasting 18 months, from April 1956 through October 1957, during which the S&P 500 declined 19.4%.⁷ Market gains during this decade led to growth in each of the five asset allocation portfolios, shown in the chart below. The Aggressive Growth portfolio, with 100% exposure to stocks, performed the best among the five hypothetical portfolios. The Income portfolio returned less but was the least volatile based on standard deviation of returns.

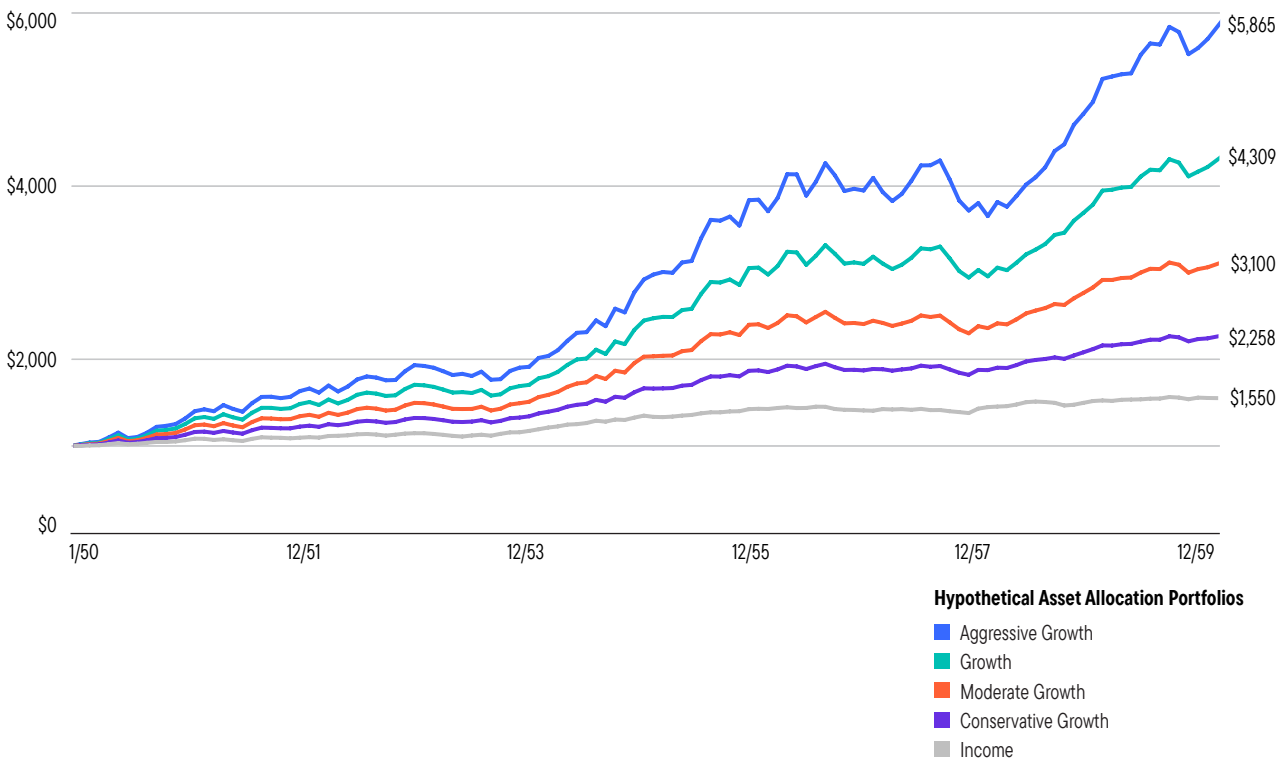
Decade at a Glance⁸

1/1/50–12/31/59

Average Annual Total Return		Average	
S&P 500	19.35%	Short-Term Interest Rates	3.32%
Long-Term US Government Bonds	-0.07%	Annual Inflation Rate	2.20%
US Treasury Bills	1.87%	Unemployment Rate	4.51%

Growth of a \$1,000 Investment⁹

1/1/50–12/31/59



7. Source: Ned Davis Research, Inc.

8. See footnote 3 on page 3 of this brochure for source information.

9. See page 1 of this brochure for percentage breakdowns of each hypothetical asset allocation portfolio.



'60s

Conformity gives way to social revolution

Although America mourned the loss of John F. Kennedy, his goal of putting a man on the moon lived on when Neil Armstrong arrived there and took "one small step for man and one giant leap for mankind." Martin Luther King Jr.'s "I Have a Dream" speech in 1963 inspired the civil rights movement. In November 1963, the US sent some 16,000 military personnel to Vietnam. At home, it was a volatile time of protests and televised war.

'60s Conformity gives way to social revolution

American culture, long restrained by the sense of team spirit and conformity induced by the crises of depression, war and the ongoing cold war, broke loose in a multitude of swift changes. The economy was equally turbulent, and the stock market recorded three bear markets.¹⁰ The overall performance of the S&P 500, on which the Aggressive Growth portfolio is based, netted a 7.81% average annual total return during the decade. This portfolio had the highest return, while the Income portfolio was the least volatile based on standard deviation of returns.

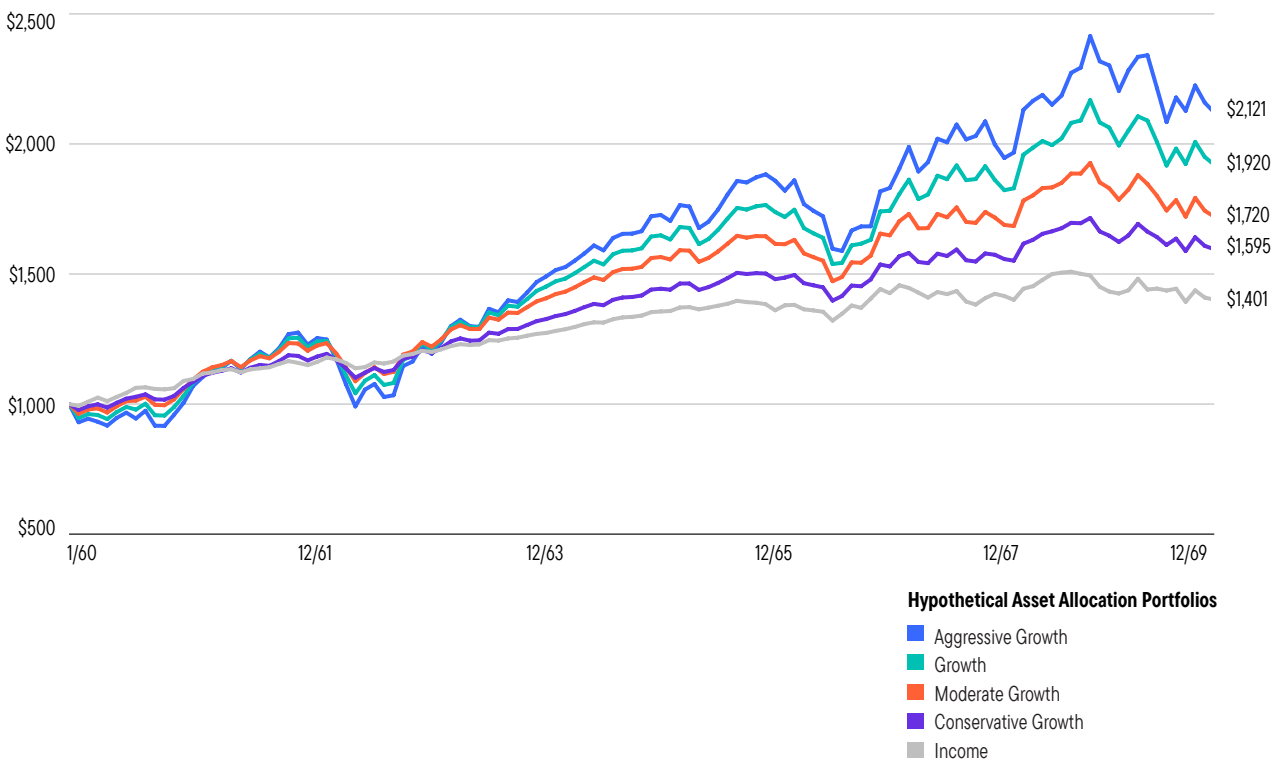
Decade at a Glance¹¹

1/1/60–12/31/69

	Average Annual Total Return		Average
S&P 500	7.81%	Short-Term Interest Rates	5.29%
Long-Term US Government Bonds	1.45%	Annual Inflation Rate	2.52%
US Treasury Bills	3.88%	Unemployment Rate	4.78%

Growth of a \$1,000 Investment¹²

1/1/60–12/31/69



10. Source: Ned Davis Research, Inc.

11. See footnote 3 on page 3 of this brochure for source information.

12. See page 1 of this brochure for percentage breakdowns of each hypothetical asset allocation portfolio.



'70s

Energy crisis sparks economic crisis

US soldiers came home from the Vietnam War to a different America. President Nixon profoundly changed US foreign policy with visits to China and Russia in 1972. The very next year, his administration fell into disgrace with the stunning events of the Watergate scandal, causing Americans to question US leadership. On the business landscape, Apple and Commodore began producing the first personal computers, and the number of women entering the workforce increased rapidly.

'70s Energy crisis sparks economic crisis

When the Organization of the Petroleum Exporting Countries (OPEC) quintupled oil prices in 1973, a deep recession hit America. The stock market plunged 45.1% from January 1973 through December 1974.¹³ Unemployment reached 8.70%¹⁴ in March 1975, the highest level since 1941 and in 1979, commercial banks raised their prime rates to a whopping 15.75%.¹⁵ An investment in the Conservative Growth portfolio, with 40% exposure to stocks, performed the best among the five hypothetical portfolios, while the Income portfolio was the least volatile based on standard deviation of returns.

Decade at a Glance¹⁶

1/1/70–12/31/79

Average Annual Total Return		Average	
S&P 500	5.86%	Short-Term Interest Rates	8.08%
Long-Term US Government Bonds	5.52%	Annual Inflation Rate	7.37%
US Treasury Bills	6.31%	Unemployment Rate	6.21%

Growth of a \$1,000 Investment¹⁷

1/1/70–12/31/79



13. Source: Ned Davis Research, Inc.

14. Source: Federal Reserve Bank of St. Louis, *Employment and Earnings Vol. 21 No. 10*, April 1975.

15. Source: Federal Reserve Bank of St. Louis, as of 11/16/1979.

16. See footnote 3 on page 3 of this brochure for source information.

17. See page 1 of this brochure for percentage breakdowns of each hypothetical asset allocation portfolio.



'80s **Reaganomics**

The US space shuttle *Columbia*, the world's first reusable spacecraft, landed after completing 36 orbits. Judge Sandra Day O'Connor became the first woman associate justice of the US Supreme Court. Soviet leader Mikhail Gorbachev agreed to arms reduction talks with the US.

President Reagan signed extensive budget- and tax-cutting legislation in 1981, and sweeping tax-reform legislation in 1986. The “Black Monday” stock market crash of October 19, 1987, became the largest one-day stock market decline on record, as the Dow Jones Industrial Average fell an astounding 22.60%.¹⁸ Even with this major one-day sell-off, the S&P 500’s total returns averaged 17.55% annually over the decade. The Aggressive Growth portfolio performed the best during this decade while the Income portfolio was the least volatile based on standard deviation of returns.

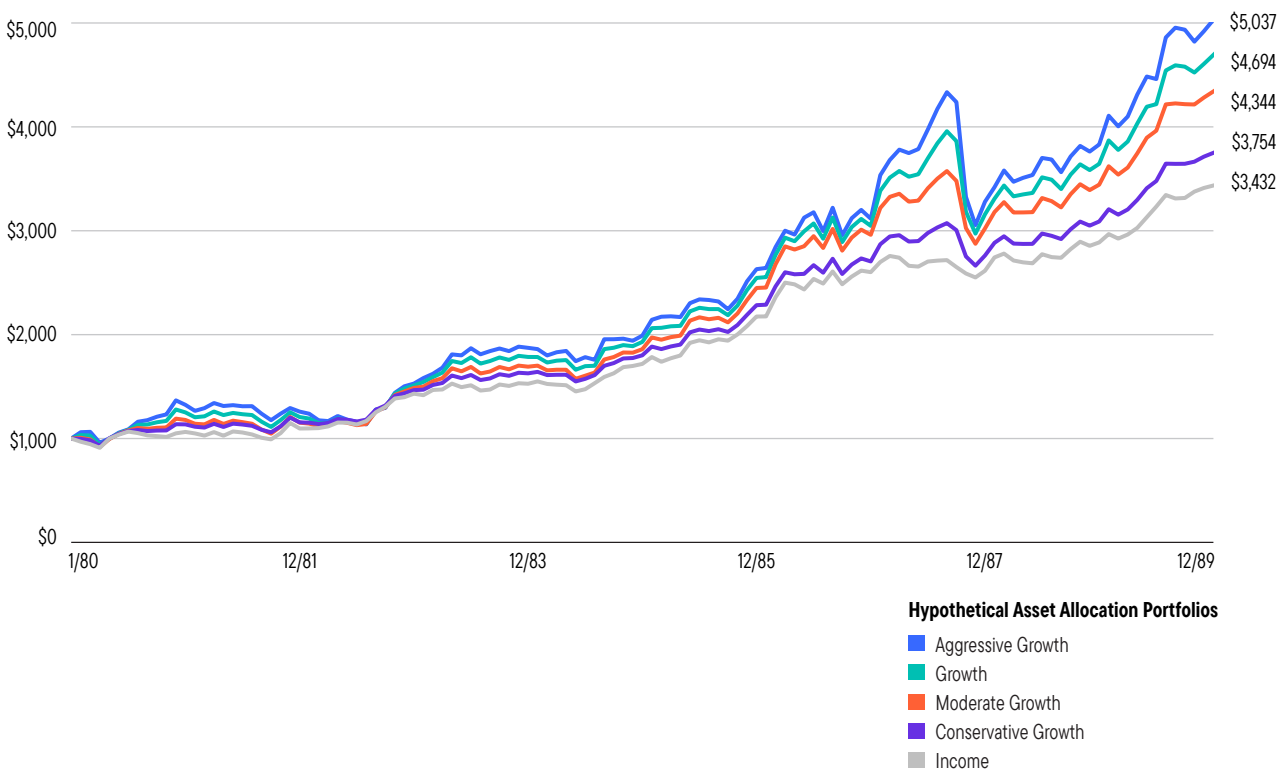
Decade at a Glance¹⁹

1/1/80–12/31/89

	Average Annual Total Return		Average
S&P 500	17.55%	Short-Term Interest Rates	11.84%
Long-Term US Government Bonds	12.62%	Annual Inflation Rate	5.09%
US Treasury Bills	8.89%	Unemployment Rate	7.27%

Growth of a \$1,000 Investment²⁰

1/1/80–12/31/89



18. Source: Federal Reserve History, as of 10/19/1987.

19. See footnote 3 on page 3 of this brochure for source information.

20. See page 1 of this brochure for percentage breakdowns of each hypothetical asset allocation portfolio.



'90s **The longest bull market in history**

The World Wide Web experienced explosive growth. The United States, Mexico and Canada signed the North American Free Trade Agreement (NAFTA). In 1994, Republicans won both houses of Congress for the first time in 40 years. The Dow Jones Industrial Average jumped to its first close above 10,000 on March 29, 1999.

'90s The longest bull market in history

From October 1990 through mid-1998, stock market investors were rewarded by the longest bull market in history.²¹ The Asian economic crisis briefly shook US investor confidence as the Dow Jones Industrial Average experienced its single biggest point loss up to that time on October 27, 1997. The decade ended on December 31, 1999, with technology stocks fueling the NASDAQ Index to its then highest close ever. As shown in the chart below, the Aggressive Growth portfolio performed the best of the five hypothetical portfolios with an average annual total return of 18.20% through December 31, 1999, while the Income portfolio was the least volatile based on standard deviation of returns.

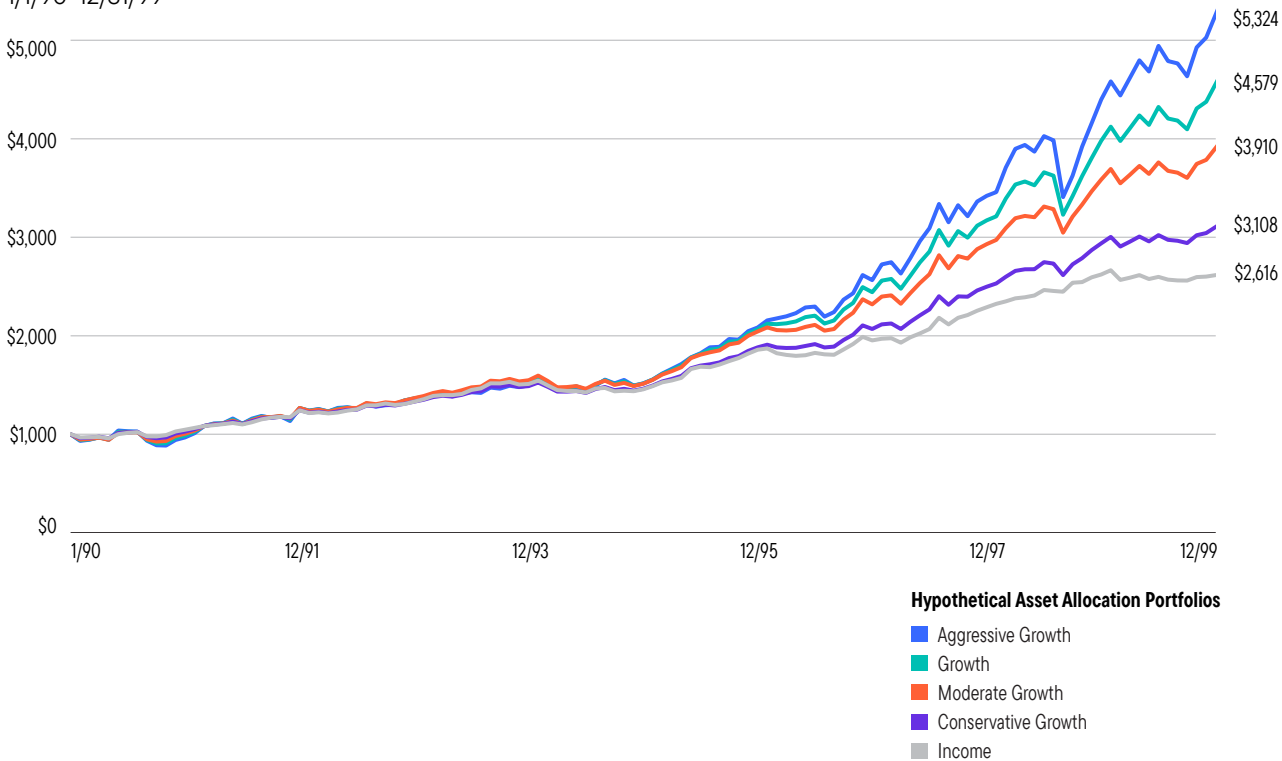
Decade at a Glance²²

1/1/90–12/31/99

Average Annual Total Return		Average	
S&P 500	18.20%	Short-Term Interest Rates	7.96%
Long-Term US Government Bonds	8.79%	Annual Inflation Rate	2.93%
US Treasury Bills	4.92%	Unemployment Rate	5.77%

Growth of a \$1,000 Investment²³

1/1/90–12/31/99



21. Sources: Dow Jones & Company, Ned Davis Research, Inc. A Bull Market requires a 30% rise in the Dow Jones Industrial Average after 50 calendar days or a 13% rise after 155 calendar days. Reversals of 30% in the Value Line Geometric Index since 1965 also qualify.

22. See footnote 3 on page 3 of this brochure for source information.

23. See page 1 of this brochure for percentage breakdowns of each hypothetical asset allocation portfolio.



'00s **The world greets a new millennium**

At the beginning of the 21st century, George W. Bush was elected president after one of the closest presidential races in US history. The Economic Growth and Tax Relief Reconciliation Act of 2001 offered some of the largest tax cuts in 20 years.

On September 11, 2001, one of the greatest tragedies in US history occurred as more than 3,000 American lives were lost in a terrorist attack on the World Trade Center. The 2003 war in Iraq helped precipitate a long upward trend in oil prices, which peaked in July 2008 at an all-time high to date of over \$145 per barrel.²⁴

In 2008, financial markets around the world plunged, triggered by a credit crunch which compounded the effects of a global economic slowdown. Unprecedented actions were taken by governments around the world to address the financial crisis. In 2009, Barack Obama took office as the 44th US President.

24. Source: Bloomberg, L.P.

The first ten years of the new millennium may be remembered as some of the most volatile for major market indexes. The deflation of the dotcom “bubble” led to one of the most severe bear markets in years. Even as markets began to recover, investors remained cautious in the wake of corporate scandals, blue-chip bankruptcies and hostilities in the Middle East. Concerns about the housing markets in 2007 turned into a full-blown recession in 2008, when a global credit crunch heightened volatility in both equity and fixed income markets, and led to the second severe bear market of the decade. Markets rallied in 2009 as government stimulus helped the economy gain a foothold. As shown in the chart below, the Income portfolio performed the best among the five hypothetical asset allocation portfolios during these years. In addition, the Conservative Growth portfolio was the least volatile based on standard deviation of returns.

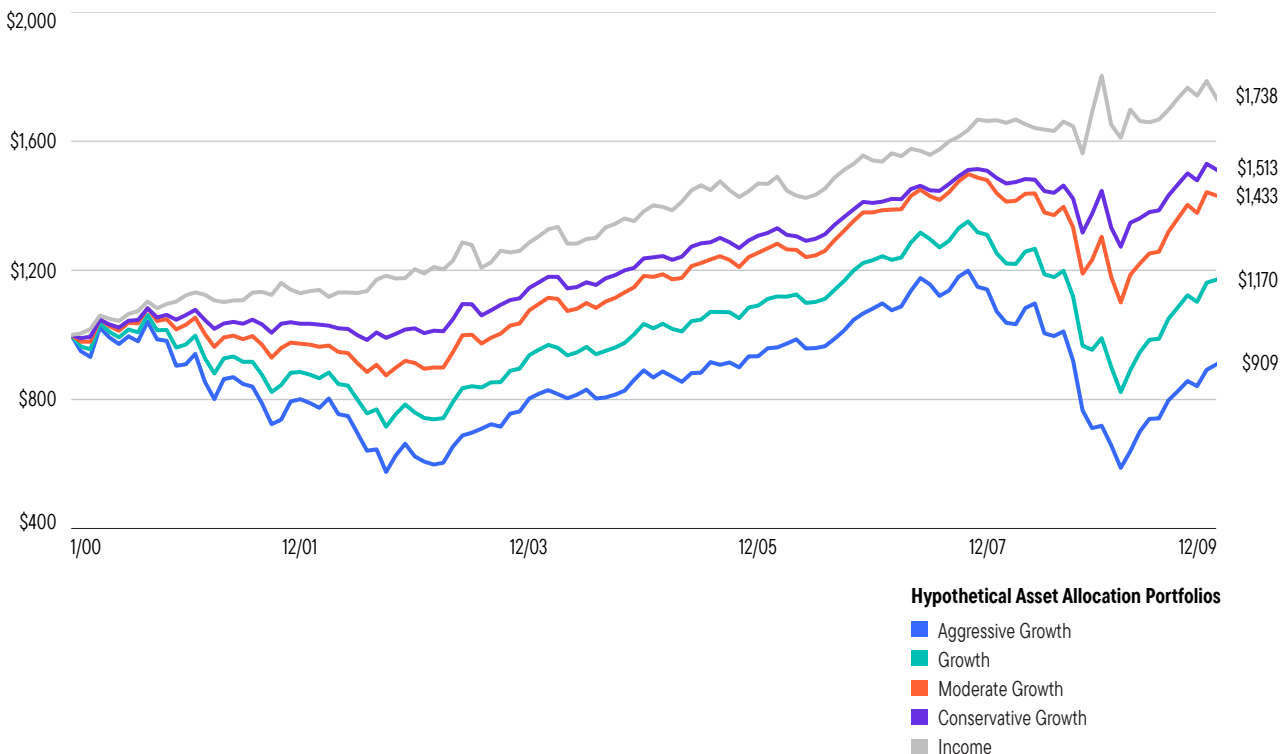
Decade at a Glance²⁵

1/1/00–12/31/09

Average Annual Total Return		Average	
S&P 500	-0.95%	Short-Term Interest Rates	5.96%
Long-Term US Government Bonds	7.69%	Annual Inflation Rate	2.52%
US Treasury Bills	2.76%	Unemployment Rate	5.54%

Growth of a \$1,000 Investment²⁶

1/1/00–12/31/09



25. See footnote 3 on page 3 of this brochure for source information.

26. See page 1 of this brochure for percentage breakdowns of each hypothetical asset allocation portfolio.



'10s

The iGeneration engages in a global transformation

Technology and social media continued to drive the Information Age. Social media exerted a growing influence on how people accessed information across the cultural landscape. Mobile devices became a primary driver for many consumer-facing businesses, and the monetization of mobile began as advertisers reallocated spending away from traditional media and toward web-based platforms, including Facebook, Twitter and Google.

The massive accumulation of digital data, including large-scale information gathering by both governments and private entities, sparked global debate. The ongoing battle between hackers and holders of sensitive information became a hallmark of the decade, as did the drive to shape the perception of reality, in what some have termed the “Disinformation Age.”

In 2016, Donald Trump surprised the political establishment and was elected 45th President of the United States.

'10s The iGeneration engages in a global transformation

Central bank policies in the US, Japan and the eurozone injected massive liquidity into global economies for much of the decade. A synchronous global recovery in the aftermath of the previous decade's financial crisis appeared to be underway in 2017, but by 2019, global real GDP grew at its slowest pace of the decade.²⁷ The US economy enjoyed its longest expansion since World War II, and unemployment fell to 50-year lows at decade-end. US equity markets moved higher while US bond rates stayed low in the absence of inflation. In late 2015, the Federal Reserve (Fed) began to slowly raise the federal funds target rate, but the multi-year 0%–0.25% rate caused the cash component of the Income and Conservative Growth portfolios to act as a drag on returns. The Aggressive Growth portfolio's outperformance reflected strong equity market returns.

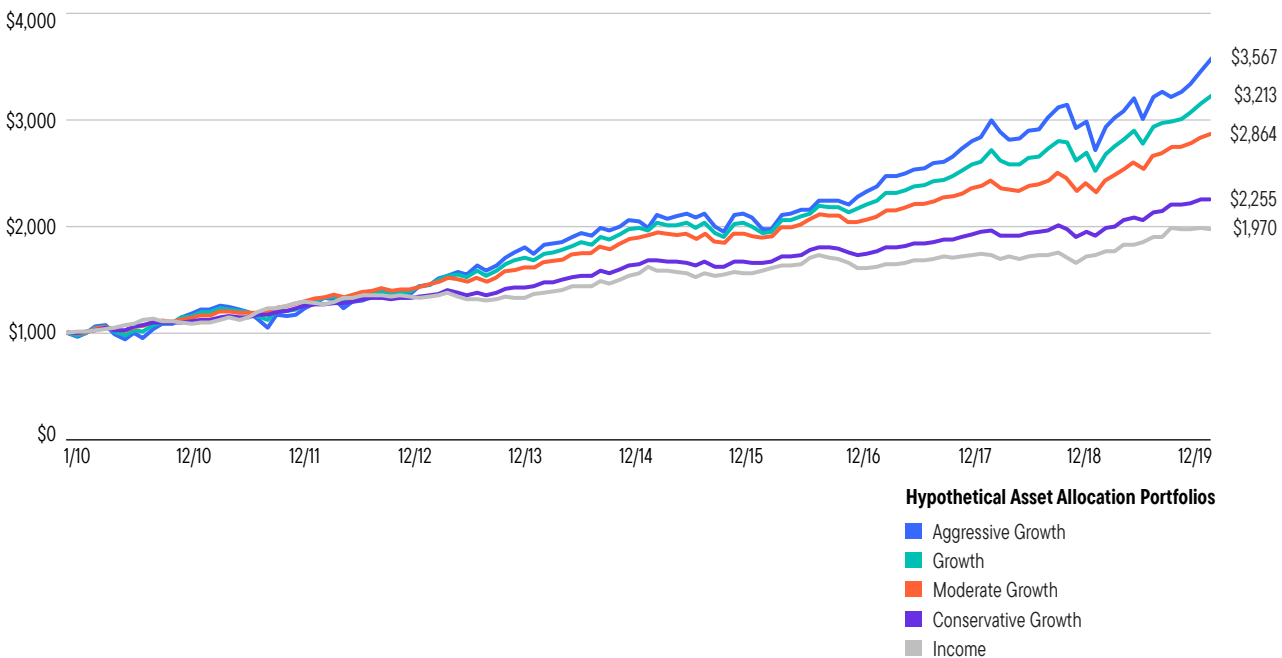
Decade at a Glance²⁸

1/1/10–12/31/19

	Average Annual Total Return		Average
S&P 500	13.56%	Short-Term Interest Rates	3.74%
Long-Term US Government Bonds	6.55%	Annual Inflation Rate	1.75%
US Treasury Bills	0.52%	Unemployment Rate	6.22%

Growth of a \$1,000 Investment²⁹

1/1/10–12/31/19



27. Sources: OECD (2020), Real GDP forecast (indicator). DOI: 10.1787/1f84150b-en (Accessed on March 4, 2020).

28. See footnote 3 on page 3 of this brochure for source information.

29. See page 1 of this brochure for percentage breakdowns of each hypothetical asset allocation portfolio.



'20s A new normal

The new decade arrived with a pandemic. Global economies shut down as nations sought to contain COVID-19's spread. Vaccines were developed in record time but had not achieved widescale use before millions of people around the world had contracted the disease.

The virus radically transformed everyday life, and nascent pre-pandemic shifts in consumer behavior, business practices and adoption of new technologies accelerated rapidly. The year 2020 ushered in a new normal, impacting how and where we work, shop, and conduct our daily lives. It also heightened issues around systemic inequalities and climate change at a time of growing ESG (environmental, social and governance) investment awareness, and amid increasing political polarization.

Multiple waves of virus variants curtailed economic growth through the first few years of the decade. During that time, the Fed slashed federal fund rates to zero and the US government launched fiscal stimulus plans to help stabilize the economy. These actions helped restore market confidence and the US recession spawned by the pandemic lasted just two months, the shortest on record.³⁰ As the global economy recovered from COVID, new challenges such as the war in Ukraine and the worst inflation in decades caused bond and equity markets to struggle. To reduce inflation, the Fed increased interest rates in one of the steepest hiking cycles in history.

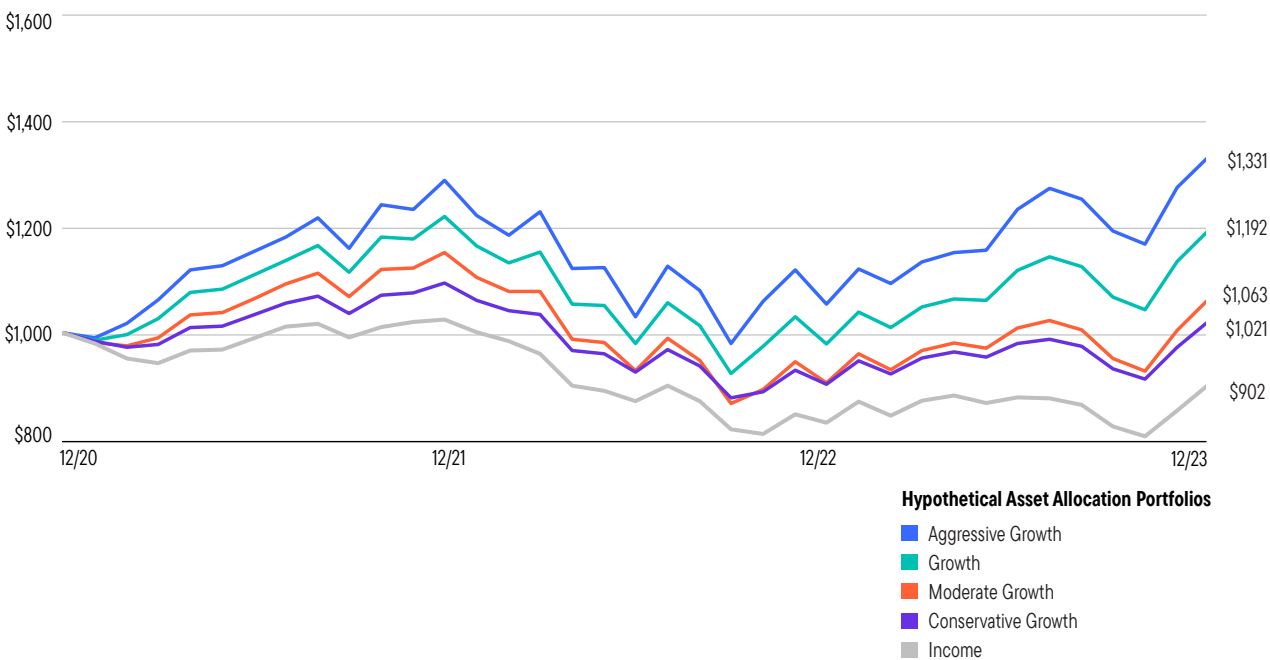
Decade at a Glance³¹

1/1/21–12/31/23

	Average Annual Total Return		Average
S&P 500	10.01%	Short-Term Interest Rates	5.50%
Long-Term US Government Bonds	-10.09%	Annual Inflation Rate	5.60%
US Treasury Bills	2.12%	Unemployment Rate	8.11%

Growth of a \$1,000 Investment³²

1/1/21–12/31/23



30. Source: US Bureau of Economic Analysis (seasonally adjusted at annual rates).

31. See footnote 3 on page 3 for source information.

32. See page 1 of this brochure for percentage breakdowns of each hypothetical asset allocation portfolio.

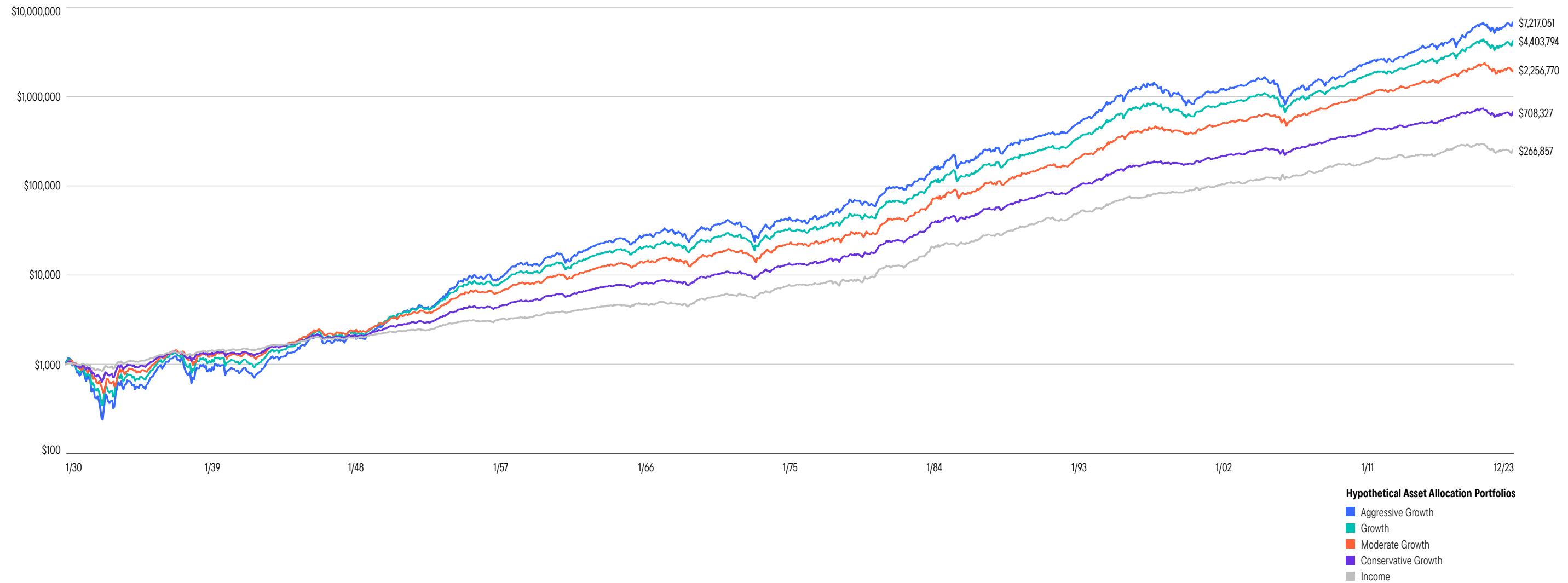
Asset allocation: The key to long-term planning

This brochure demonstrates differences in long-term performance based on five selected hypothetical asset allocation portfolios.

As shown in the charts in this brochure, the Aggressive Growth portfolio was the best performing over the long term but along the way, it was more volatile based on standard deviation of returns. The Income portfolio was the least volatile over the decades but returned less to investors. However, no matter which portfolio you examine, all provided average annual total returns of at least 6.1% over the 93-year period. Please remember, however, that past performance does not guarantee future results. Diversification does not assure a profit or guarantee against a loss.

Growth of a \$1,000 Investment³³

1/1/30–12/31/23



Performance Summary³³

1/1/30–12/31/23

Hypothetical Asset Allocation Portfolios	Growth of a \$1,000 Investment	Best 1-Year Return	Worst 1-Year Return	Average Annual Total Return
Aggressive Growth	\$7,217,051	53.99%	-43.34%	9.91%
Growth	\$4,403,794	43.54%	-35.73%	9.34%
Moderate Growth	\$2,256,770	35.21%	-28.13%	8.56%
Conservative Growth	\$708,327	28.82%	-19.24%	7.23%
Income	\$266,857	30.63%	-18.98%	6.12%

33. See page 1 of this brochure for percentage breakdowns of each hypothetical asset allocation portfolio.

Franklin Templeton

Our story

One thing has driven Franklin Templeton's growth and evolution: our focus on delivering better client outcomes. It's why we've built a world-class investment firm that aims to offer the best of both worlds: global strength and investment specialization. And it's the reason millions of clients in more than 150 countries have entrusted us with their investments, making us one of the world's largest asset managers with \$1.6 trillion in assets under management.³⁴



Nimble where it matters

Franklin Templeton brings together an unmatched collection of independent specialist investment managers (SIMs) to provide our clients deep expertise and investment specialization within and across asset classes, investment styles, and geographies. All told, our SIMs comprise approximately 1,400 investment professionals located across 25 countries, giving us an ear to the ground in the world's most significant markets. And they're backed by a strong, global infrastructure with at-scale capabilities in research, data analytics and servicing. This combination of independent, entrepreneurial SIMs and global strength makes us uniquely agile.



Unparalleled in our ability to customize

While our structure makes us agile, our scale lets us offer hundreds of strategies across active, smart beta and passive approaches—in a full range of vehicles. And we boast extensive multi-asset capabilities. So, we never need to favor a particular type of solution. Instead, we can provide options best suited to the unique needs of every client, institutional or individual. And beyond our core function of delivering investment returns, we provide our clients with tailored support through a global distribution platform, technology-based tools and value-added services.



Guided by long-term value creation

We believe it's just as important to drive long-term success as it is to seize today's opportunities. As a closely-held public company with an impressively strong balance sheet, we're able to invest and manage our company for the long term. That's what lets us keep building on our long track record of developing innovative products and tools for our clients. And it's why we empower everyone at Franklin Templeton to always do the right thing for our clients.

34. As of 12/31/23. AUM is as of December 31, 2023 and has been restated to include proforma AUM from Putnam Investments at the same date. Franklin Templeton closed its acquisition of Putnam Investments on January 1, 2024. Assets under management represent combined assets of Franklin Templeton and subsidiary investment management groups.



*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 professional, call us at (800) 342-5236, or visit **franklintempleton.com**. Please carefully read a prospectus before you invest or send money.*



(800) 342-5236
franklintempleton.com