

Periodic Table of Asset Class Returns – 10 Years

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Have you ever thought that you may be able to predict which asset class will have the highest return in a given year?

Let's take a look at the annual returns of seven common asset classes along with a diversified portfolio¹, over the last 10 calendar years.

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As you can see from the table, it's hard to predict the best or worst performer from year to year.

However, the diversified portfolio, while never the highest performer, also avoided being the lowest performer. That's why TD Asset Management Inc. (TDAM) believes that investing in a diversified portfolio may provide an investor with more stable long-term returns, as compared to investing solely in a single asset class.

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
High	31.2% Emerging Markets Equities	32.1% Emerging Markets Equities	18.6% Emerging Markets Equities	6.4% Canadian Bonds	52.0% Emerging Markets Equities	17.6% Canadian Equities	10.7% Low Volatility Equities	16.0% Emerging Markets Equities	41.6% U.S. Equities	23.9% U.S. Equities	High
	24.1% Canadian Equities	26.4% International Equities	9.8% Canadian Equities	-7.9% High Yield Bonds	35.1% Canadian Equities	13.0% Emerging Markets Equities	9.7% Canadian Bonds	15.3% International Equities	31.6% International Equities	22.2% Low Volatility Equities	
	11.2% International Equities	19.4% Low Volatility Equities	3.7% Canadian Bonds	-11.4% Low Volatility Equities	33.8% High Yield Bonds	9.2% U.S. Equities	7.0% High Yield Bonds	13.0% High Yield Bonds	27.4% Low Volatility Equities	11.9% Diversified Portfolio	
	9.5% Diversified Portfolio	17.3% Canadian Equities	-0.2% Diversified Portfolio	-13.8% Diversified Portfolio	12.5% International Equities	9.2% High Yield Bonds	4.5% U.S. Equities	12.8% U.S. Equities	17.6% Diversified Portfolio	11.7% High Yield Bonds	
	6.5% Canadian Bonds	16.1% U.S. Equities	-5.3% International Equities	-23.3% U.S. Equities	12.4% Diversified Portfolio	8.3% Diversified Portfolio	1.4% Diversified Portfolio	8.8% Diversified Portfolio	14.6% High Yield Bonds	10.6% Canadian Equities	
	6.0% Low Volatility Equities	13.3% Diversified Portfolio	-8.0% Low Volatility Equities	-28.8% International Equities	9.3% U.S. Equities	6.9% Low Volatility Equities	-8.7% Canadian Equities	7.2% Canadian Equities	13.0% Canadian Equities	8.8% Canadian Bonds	
	1.7% U.S. Equities	11.3% High Yield Bonds	-10.1% U.S. Equities	-33.0% Canadian Equities	5.4% Canadian Bonds	6.7% Canadian Bonds	-9.6% International Equities	6.5% Low Volatility Equities	4.3% Emerging Markets Equities	7.0% Emerging Markets Equities	
Low	0.2% High Yield Bonds	4.1% Canadian Bonds	-13.3% High Yield Bonds	-41.4% Emerging Markets Equities	-0.5% Low Volatility Equities	2.6% International Equities	-16.2% Emerging Markets Equities	3.6% Canadian Bonds	-1.2% Canadian Bonds	4.1% International Equities	Low
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	

Data Source: TD Asset Management Inc., Morningstar® EnCorr®.

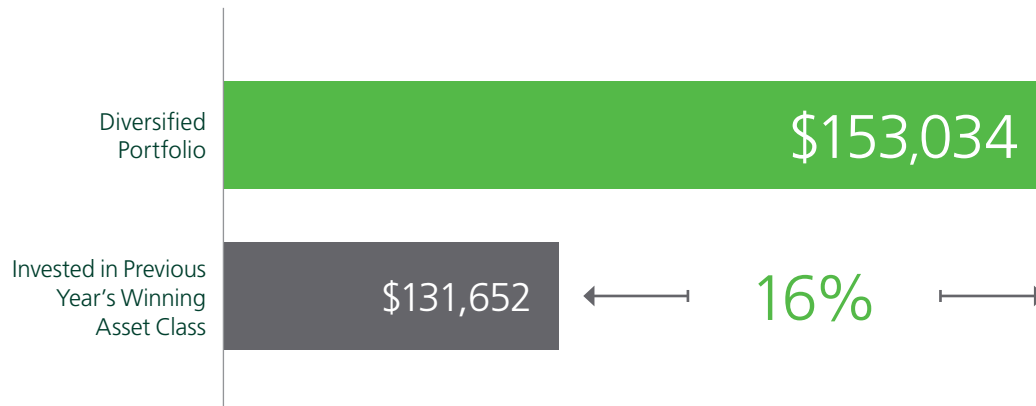
¹Canadian Bonds are represented by the FTSE TMX Canada Universe Bond Index ("DEX" bond indices have been re-branded to "FTSE TMX Canada"), High yield bonds are represented by the BofAML U.S. High Yield Master II Total Return Index C\$, Canadian Equities are represented by the S&P/TSX Composite Total Return Index, U.S. Equities are represented by the S&P 500 Total Return Index C\$, Low Volatility Equities are represented by the MSCI World Minimum Volatility Index C\$, International markets are represented by the MSCI EAFE Total Return Index Gross Dividend C\$, Emerging Markets are represented by the MSCI Emerging Markets Total Return Index Gross Dividend C\$, and the Diversified Portfolio is made up of 40% Canadian Bonds, 15% Canadian Equities, 45% MSCI World Total Return Index Gross Dividend C\$ (rebalanced annually).

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Diversification in Action

Example of two approaches to investing \$10,000 each year from January 2005 to December 2014¹



Key Takeaways

1

Trying to pick winning asset classes may result in missing out on long-term growth. In this example, investing \$10,000 in a diversified portfolio instead, results in a positive difference of 16% or \$21,382 over 10 years.

2

Diversifying across a number of asset classes and geographic regions gives your portfolio a built-in ability to potentially benefit from each year's winners, while seeking to reduce overall portfolio risk.

For more information, talk to your Financial Advisor today.



¹\$10,000 (Canadian dollars) invested at the beginning of each year in the Diversified Portfolio vs \$10,000 plus any gains realized invested at the beginning of the year in last year's winning asset class. Relative performance may vary over shorter periods of time. Last year's winning asset class is the top performing asset class as shown in the "Periodic Table of Asset Class Returns - 10 Years" for each year. Index returns are shown for comparative purposes only. Indices are unmanaged and their returns do not include any sales charges or fees as such costs would lower performance. It is not possible to invest directly in an index. The statements contained herein are based on material believed to be reliable. Where such statements are based in whole or in part on information provided by third parties, they are not guaranteed to be accurate or complete. The sales tool does not provide individual financial, legal, tax or investment advice and is for information purposes only. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any fund. Particular investment or trading strategies should be evaluated relative to each individual's objectives and risk tolerance. TD Asset Management Inc., The Toronto-Dominion Bank and its affiliates and related entities are not liable for any errors or omissions in the information or for any loss or damage suffered. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund facts and prospectus, which contain detailed investment information, before investing. Mutual funds are not guaranteed or insured, their values change frequently and past performance may not be repeated. TD Mutual Funds and the TD Managed Assets Program Portfolios (collectively, the "Funds") are managed by TD Asset Management Inc., a wholly-owned subsidiary of The Toronto-Dominion Bank. TD Investment Services Inc. and TD Waterhouse Canada Inc. (Member - Canadian Investor Protection Fund) are each principal distributors of certain series of certain Funds. TD Investment Services Inc. makes available those series of those Funds for which it is a principal distributor. The Funds are also available through TD Waterhouse Canada Inc. and through independent dealers. FTSE TMX Global Debt Capital Markets Inc. ("FTDCM"), FTSE International Limited ("FTSE"), the London Stock Exchange Group companies (the "Exchange") or TSX INC. ("TSX" and together with FTDCM, FTSE and the Exchange, the "Licensor Parties"). The Licensor Parties make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the index/indices ("the Index/Indices") and/or the figure at which the said Index/Indices stand at any particular time on any particular day or otherwise. The Index/Indices are compiled and calculated by FTDCM and all copyright in the Index/Indices values and constituent lists vests in FTDCM. The Licensor Parties shall not be liable (whether in negligence or otherwise) to any person for any error in the Index/Indices and the Licensor Parties shall not be under any obligation to advise any person of any error therein. "TMX" is a trade mark of TSX Inc. and is used under licence. "FTSE" is a trade mark of the London Stock Exchange Group companies and is used by FTDCM under licence. © 2015 Morningstar is a registered mark of Morningstar Research Inc. All rights reserved. All trademarks are the property of their respective owners. © The TD logo and other trade-marks are the property of The Toronto-Dominion Bank.