

Think globally

When it comes to investing, most of us seldom leave home. But since Canada makes up only about 3% of the world's markets, investing solely in the Canadian market limits both investment opportunities and diversification.

Investing abroad can introduce additional risks – shifts in currency values, political and economic upheaval, or poorly regulated markets. But it can also bring benefits – rapidly growing economies and well-established companies.

And, as the chart on the right shows, Canada and other international stock markets tend to move in different directions in relation to each other.

So investing in different parts of the world can bring both balance and greater growth to your portfolio.

Performance of Canadian vs. international markets: 1997-2006

This chart of “best and worst” annual markets for the past ten years shows how the performance of Canadian and international markets can shift over time, underscoring the importance of investing in a variety of markets.

| 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | |
|---------------------------|----------------------------|---------------------------|--------------------------|--------------------------|---------------------------|---------------------------|--------------------------|---------------------------|---------------------------|---|
| U.S. Equity: 39.2% | U.S. Equity: 38.0% | Emerging Markets: 57.2% | Canadian Bonds: 10.2% | Canadian Bonds: 8.1% | Canadian Bonds: 8.7% | Canadian Small Cap: 50.2% | Emerging Markets: 16.8% | Emerging Markets: 31.2% | Emerging Markets: 32.1% | ↑ Best performance ↓ Worst performance |
| Canadian Equity: 15.0% | Foreign Equity: 28.8% | Canadian Equity: 31.7% | Canadian Equity: 7.4% | Emerging Markets: 3.8% | Canadian Small Cap: -4.9% | Emerging Markets: 27.8% | Canadian Equity: 14.5% | Canadian Equity: 24.1% | Foreign Equity: 25.9% | |
| Canadian Bonds: 9.6% | Canadian Bonds: 9.2% | Foreign Equity: 20.0% | Canadian Small Cap: 0.4% | Canadian Small Cap: 1.1% | Emerging Markets: -7.0% | Canadian Equity: 26.7% | Foreign Equity: 11.5% | Canadian Small Cap: 14.3% | Canadian Small Cap: 17.6% | |
| Foreign Equity: 6.3% | Canadian Equity: -1.6% | Canadian Small Cap: 17.4% | U.S. Equity: -5.9% | U.S. Equity: -6.4% | Canadian Equity: -12.4% | Foreign Equity: 13.4% | Canadian Small Cap: 7.4% | Foreign Equity: 10.7% | Canadian Equity: 17.4% | |
| Canadian Small Cap: -2.4% | Canadian Small Cap: -19.0% | U.S. Equity: 14.4% | Foreign Equity: -11.2% | Canadian Equity: -12.6% | Foreign Equity: -16.8% | Canadian Bonds: 6.6% | Canadian Bonds: 7.1% | Canadian Bonds: 6.5% | U.S. Equity: 15.4% | |
| Emerging Markets: -7.7% | Emerging Markets: -19.9% | Canadian Bonds: -1.1% | Emerging Markets: -28.2% | Foreign Equity: -16.5% | U.S. Equity: -22.9% | U.S. Equity: 5.3% | U.S. Equity: 2.8% | U.S. Equity: 2.4% | Canadian Bonds: 3.8% | |

Asset class performance represented by:
 Foreign Equities: MSCI EAFE index
 Emerging Markets Equities: MSCI Emerging Markets Free index
 U.S. Equities: S&P 500 index
 Canadian Equities: S&P/TSX Composite index
 Canadian Small Cap: Nesbitt Burns Small Cap index
 Canadian Bonds: Scotia Overall Universe Bond index

Source: FMR Corp. BMO Nesbitt Burns, Datastream. Total returns expressed in \$ Cdn.

Note: It is not possible to invest directly in an index.

Read a fund's prospectus and consult your financial advisor before investing. Mutual funds are not guaranteed; their values change frequently and past performance may not be repeated. Investors will pay management fees and expenses, may pay commissions or trailing commissions, and may experience a gain or loss.

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