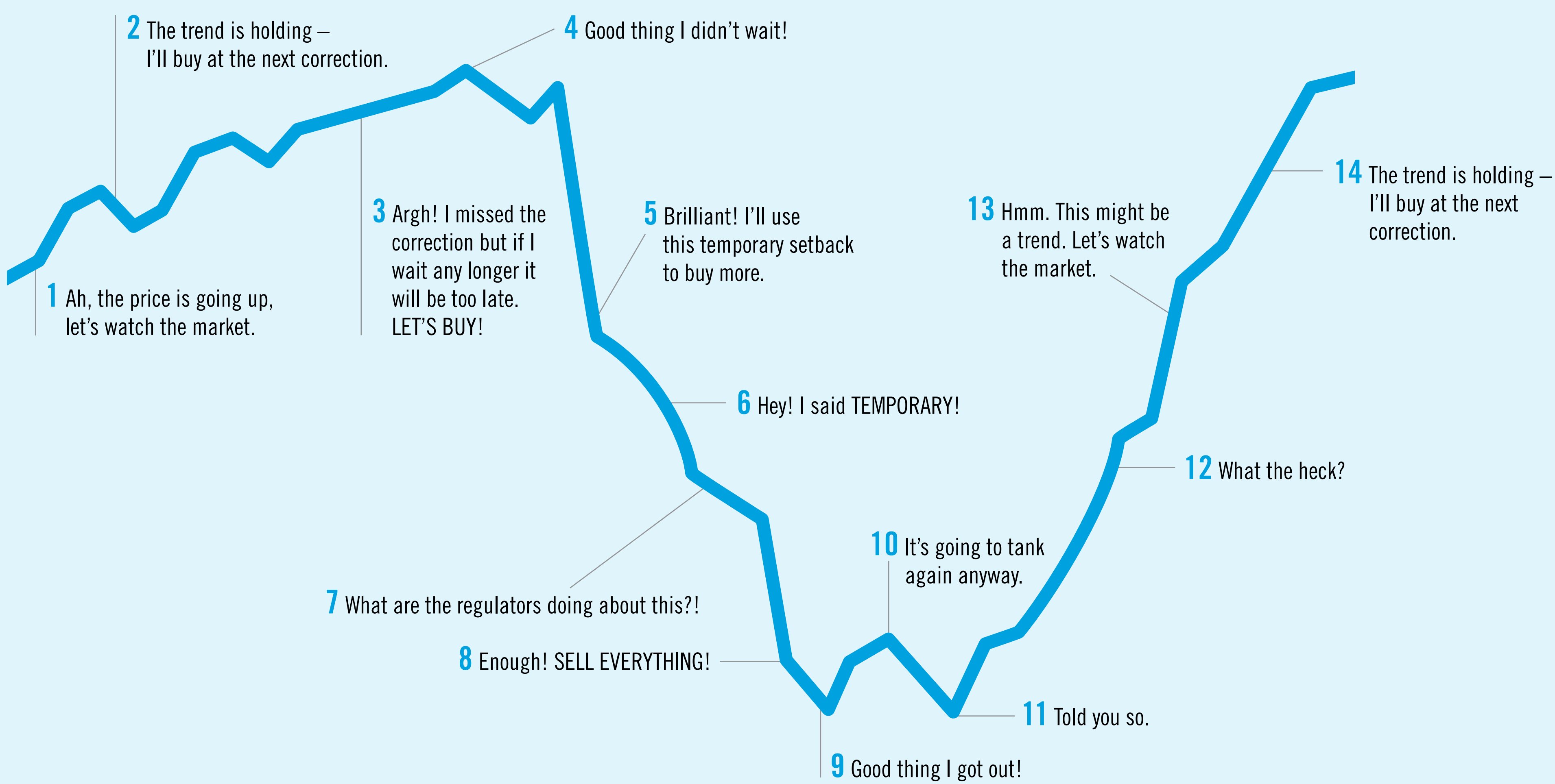
FRANKLIN TEMPLETON INVESTMENTS

EMOTIONAL INVESTING: THE MARKET CYCLE



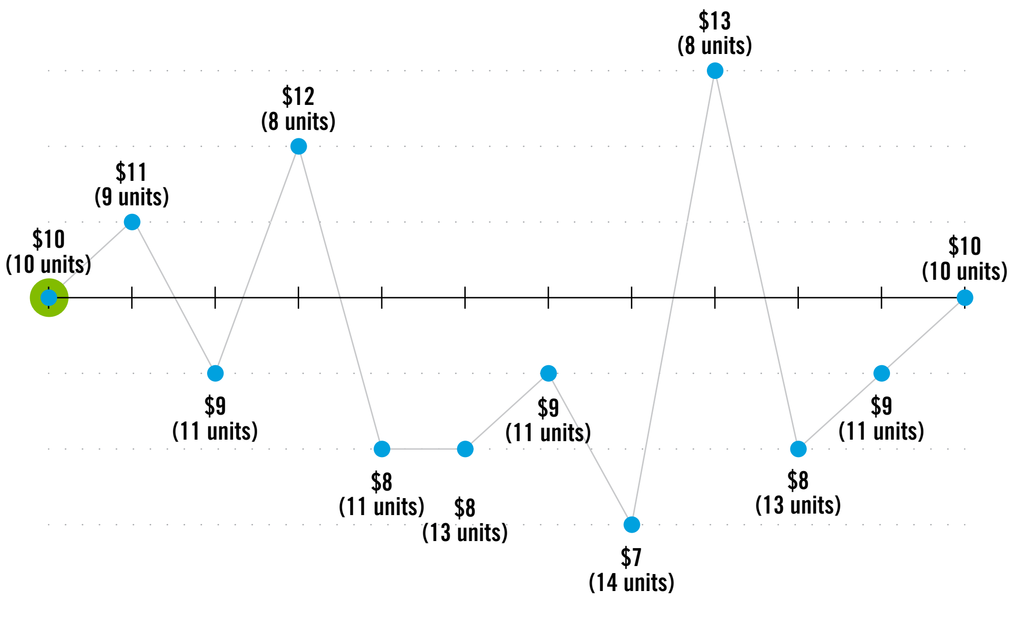
This graph is for illustrative purposes only and is not indicative of a period of actual market performance.

Make market volatility work for you

Emotions can influence investment decisions, causing investors to buy high and sell low. But how can you keep emotions in check – especially in falling markets? By investing regularly, you can maximize your units and smooth out the peaks and valleys that come with short-term volatility. This strategy is called Dollar Cost Averaging (DCA).

Dollar Cost Averaging in action

In this example, an investor puts $100 in a mutual fund every month for a year. Here's how that strategy compares with a single (lump sum) purchase:



- **Lump Sum:** A single investment of $1,200 buys 120 units at $10/unit.
- **DCA:** Monthly investments of $100 for 12 months buys units at various prices each month.

When market values rise...

- Your $100 investment buys fewer units

When market values fall...

- Your $100 investment buys more units

Who wins?

In this example, the DCA strategy proved to be a better deal at the end of 12 months.

	Total Investment	Average Cost Per Unit	Total Units	Current Value
Lump Sum	$1,200	$10.00	120	$1,200
DCA	**$1,200**	**$9.16**	**131**	**$1,310**

*Dollar Cost Averaging does not assure a profit or protect against loss in declining markets. Investors should consider their ability to make regular investments during all market conditions. This hypothetical example is for illustrative purposes only and does not represent any specific type of investment. This example does not include the impact of taxes, expenses or fees. Please see the simplified prospectus for further details on Dollar Cost Averaging.

FRANKLIN TEMPLETON INVESTMENTS

Franklin Templeton Investments Canada
200 King Street West, Suite 1500
Toronto, ON M5H 3T4
(800) 387-0830
franklintempleton.ca