

Think globally

When it comes to investing, most of us seldom leave home. But since Canada makes up only 4% 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: 1999–2010

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		
↑ Top-performing sector	Emerging Markets 57.2%	Canadian Bonds 10.2%	U.S. Small Cap 8.9%	Canadian Bonds 8.7%	Canadian Small Cap 41.6%	Emerging Markets 16.8%	Emerging Markets 31.2%	Emerging Markets 32.1%	Emerging Markets 18.6%	Canadian Bonds 6.4%	Canadian Small Cap 68.9%	Canadian Small Cap 35.2%	Asset class performance represented by	
	Canadian Equity 31.7%	Canadian Equity 7.4%	Canadian Bonds 8.1%	Canadian Small Cap -1.6%	Emerging Markets 27.8%	Canadian Equity 14.5%	Canadian Equity 24.1%	Foreign Equity 26.4%	Canadian Equity 9.8%	U.S. Small Cap -17.9%	Emerging Markets 52.0%	U.S. Small Cap 20.2%	Foreign Equities: MSCI EAFE Index	
	Foreign Equity 20.3%	Canadian Small Cap 6.3%	Emerging Markets 3.8%	Emerging Markets -7.0%	Canadian Equity 26.7%	Canadian Small Cap 13.2%	Canadian Small Cap 18.8%	Global Equity 21.0%	Canadian Bonds 3.7%	U.S. Equity -22.9%	Canadian Equity 35.1%	Canadian Equity 17.6%	Global Equities: MSCI World Index	
	Canadian Small Cap 19.1%	U.S. Small Cap 0.4%	Canadian Small Cap 2.5%	Canadian Equity -12.4%	U.S. Small Cap 20.5%	Foreign Equity 11.9%	Foreign Equity 11.2%	U.S. Small Cap 17.9%	Canadian Small Cap -1.2%	Global Equity -26.9%	Global Equity 13.0%	Emerging Markets 13.0%	Emerging Markets Equities: MSCI Emerging Markets Free Index	
	Global Equity 18.3%	U.S. Equity -5.7%	U.S. Equity -6.4%	Foreign Equity -16.5%	Foreign Equity 13.8%	U.S. Small Cap 9.7%	Global Equity 6.7%	Canadian Equity 17.4%	Foreign Equity -5.3%	Foreign Equity -28.8%	Foreign Equity 12.5%	U.S. Equity 9.2%	U.S. Equities: S&P 500 Index	
	U.S. Small Cap 14.6%	Global Equity -9.6%	Global Equity -11.3%	Global Equity -20.5%	Global Equity 10.3%	Canadian Bonds 7.1%	Canadian Bonds 6.5%	U.S. Equity 16.1%	Global Equity -6.6%	Canadian Equity -33.0%	U.S. Small Cap 8.0%	Canadian Bonds 6.7%	U.S. Small Cap: Russell 2000 Index	
↓ Worst-performing sector	U.S. Equity 14.2%	Foreign Equity -11.0%	Canadian Equity -12.6%	U.S. Small Cap -21.3%	Canadian Bonds 6.6%	Global Equity 6.6%	U.S. Small Cap 1.9%	Canadian Small Cap 13.6%	U.S. Equity -10.1%	Emerging Markets -41.4%	U.S. Equity 9.3%	Global Equity 6.6%	Composite Index	
	Canadian Bonds -1.1%	Emerging Markets -28.2%	Foreign Equity -16.3%	U.S. Equity -23.1%	U.S. Equity 6.1%	U.S. Equity 2.6%	U.S. Equity 1.7%	Canadian Bonds 3.8%	U.S. Small Cap -16.5%	Canadian Small Cap -48.6%	Canadian Bonds 5.4%	Foreign Equity 2.6%	Canadian Small Cap: Nesbitt Burns Small Cap Weighted PR Index	
													Canadian Bonds: DEX Universe Bond Index	

Sources: Fidelity Management & Research Company, BMO Nesbitt Burns, Datastream. Total returns in CDN\$. Note: It is not possible to invest directly in an index. As at December 31, 2010.

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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