

# Templeton Maxims

10 PRINCIPLES FOR  
INVESTMENT SUCCESS



FRANKLIN TEMPLETON  
INVESTMENTS



# Templeton Maxims



Invest for Real Returns



Keep an Open Mind



Never Follow the Crowd



Everything Changes



Avoid the Popular



Learn from your Mistakes



Buy During Times of Pessimism



Hunt for Value and Bargains



Search Worldwide



No-one Knows Everything



## **Franklin Templeton Investments**

Sir John Templeton - founder of the Templeton organisation - is regarded as one of the world's wisest and most respected investors.

Forbes magazine has described him as "the dean of global investing," and "one of the most successful money managers in history".

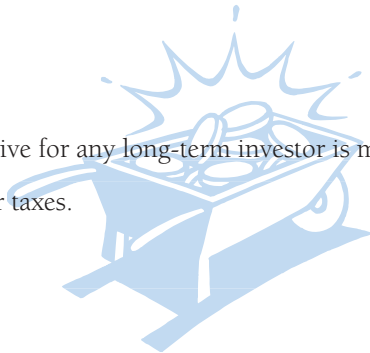
These principles are among those that Sir John considers to be of enduring value to investors.



## Maxim Number 1

# “Invest for Real Returns”

The true objective for any long-term investor is maximum total real return after taxes.



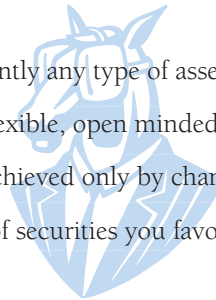


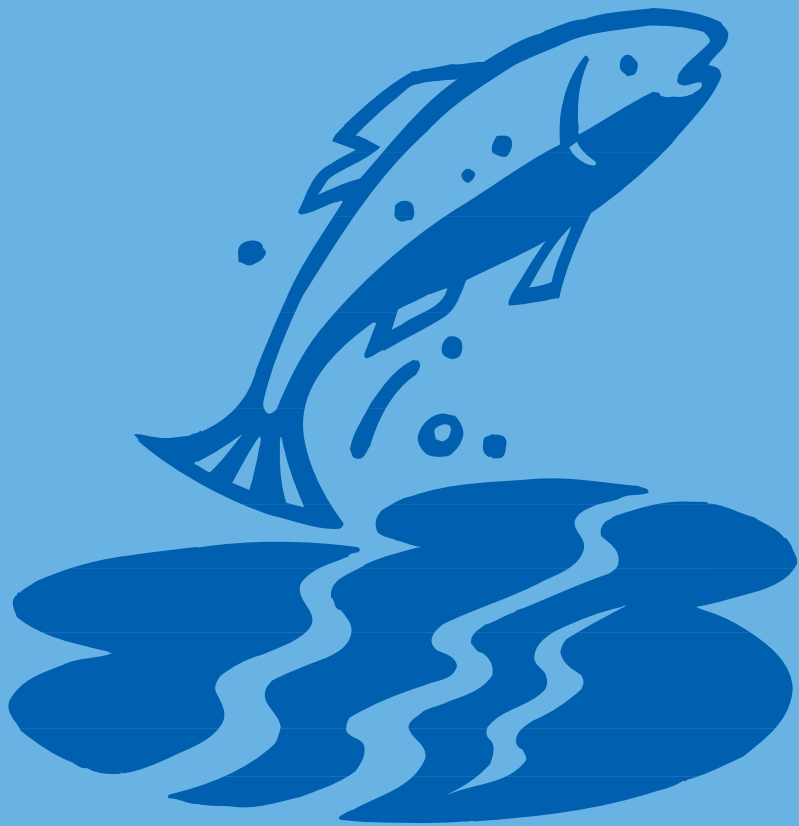


## Maxim Number 2

# “Keep an Open Mind”

Never adopt permanently any type of asset or any selection method. Try to stay flexible, open minded and sceptical. Long-term top results are achieved only by changing from popular to unpopular the types of securities you favour and your methods of selection.





## Maxim Number 3

# “Never Follow the Crowd”

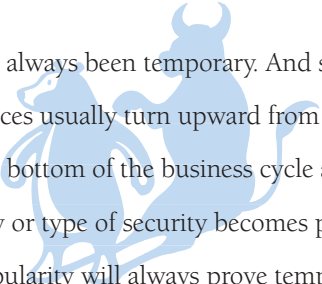
If you buy the same securities as other people, you will have the same results as other people. It is impossible to produce a superior performance unless you do something different from the majority.

To buy when others are despondently selling and to sell when others are greedily buying requires the greatest fortitude and pays the greatest reward.

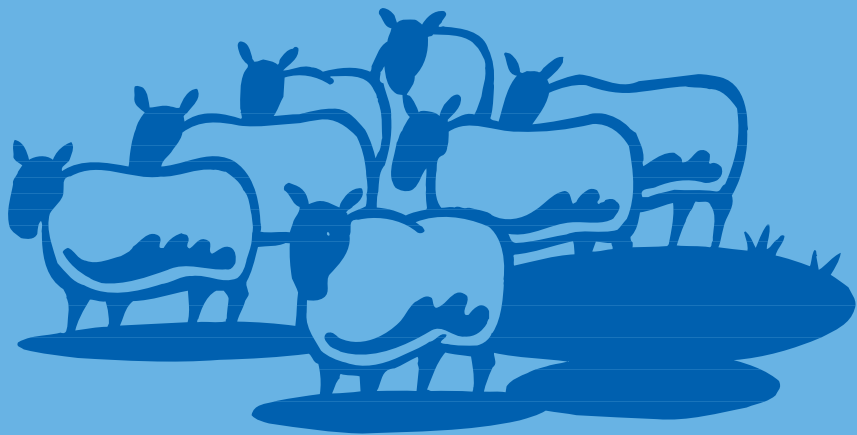


## Maxim Number 4

# “Everything Changes”



Bear markets have always been temporary. And so have bull markets. Share prices usually turn upward from one to twelve months before the bottom of the business cycle and vice versa. If a particular industry or type of security becomes popular with investors, that popularity will always prove temporary and, when lost, may not return for many years.

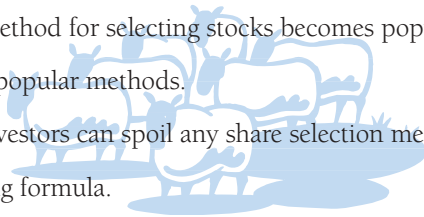


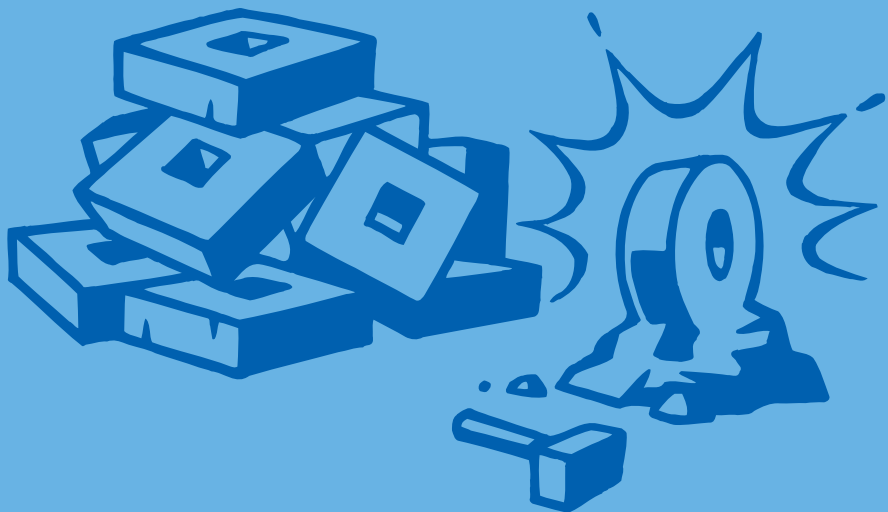
## Maxim Number 5

# “Avoid the Popular”

When any method for selecting stocks becomes popular, then switch to unpopular methods.

Too many investors can spoil any share selection method or any market timing formula.





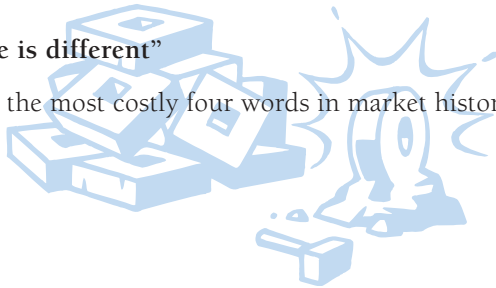


## Maxim Number 6

# “Learn from your Mistakes”

“This time is different”

are among the most costly four words in market history.





## Maxim Number 7

# “Buy During Times of Pessimism”

Bull markets are born on pessimism, grow on scepticism, mature on optimism and die on euphoria.

The time of maximum pessimism is the best time to buy, and the time of maximum optimism is the best time to sell.

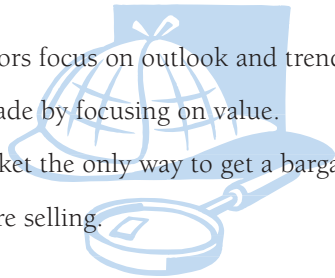


## Maxim Number 8

# “Hunt for Value and Bargains”

Too many investors focus on outlook and trend. Therefore, more profit is made by focusing on value.

In the stock market the only way to get a bargain is to buy what most investors are selling.



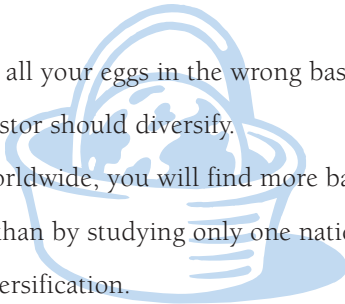


## Maxim Number 9

# “Search Worldwide”

To avoid having all your eggs in the wrong basket at the wrong time, every investor should diversify.

If you search worldwide, you will find more bargains and better bargains than by studying only one nation. You also gain the safety of diversification.



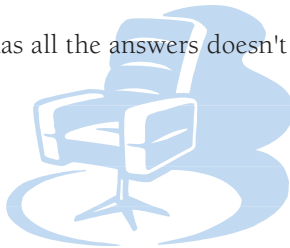




## Maxim Number 10

# “No-one Knows Everything”

An investor who has all the answers doesn't even understand the questions.





Sir John Templeton has retired and is no longer involved in the investment decisions made by the organisation he founded.

Templeton fund managers, however, still follow the investment principles he laid down.

Today, Templeton is part of Franklin Templeton Investments, a worldwide investment group with over £170 billion under management, offering a unique breadth of products and styles of investment - from pure growth to deep value - all under one roof.

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