



**KNOWLEDGE**

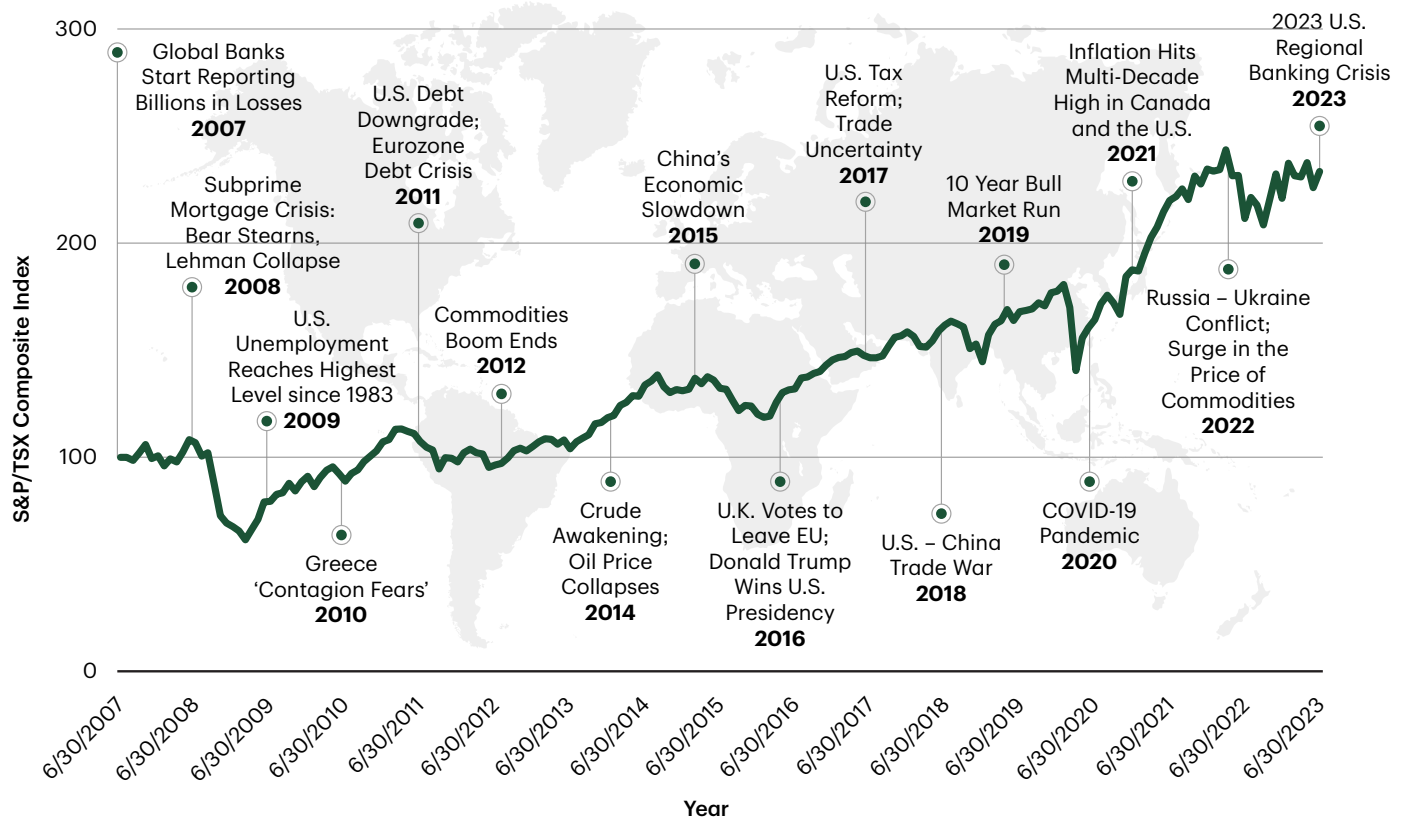
# When Headlines Trigger Investor Uncertainty

Negative events in the media may cause people to react emotionally and lose sight of or even question their investment strategy. In the past three decades alone, numerous events may have kept investors on the sidelines. When these events happen, it's helpful to look at the big picture. Over the past 30 years, the S&P/TSX Composite Index gained an annualized 5.62%<sup>1</sup> return per year, and 21 of the 30 years had positive returns<sup>2</sup>.

As markets fluctuate and the headlines feel overwhelming, you should consider the importance of remaining focused on your investment strategy and financial goals.

## Global Headlines

Time Period: 6/30/2007 to 6/30/2023



For illustrative purposes only.

Source: Morningstar®, as of July 25, 2023. Data from June 30, 2007 to June 30, 2023. The S&P/TSX Composite Index total returns from \$100 investment per calendar year.

# What History Has Taught Us

Historically, individuals who invest regularly in a diversified portfolio and stay invested for the long-term, have typically benefited. The following chart illustrates historical downturns in the Canadian equity market and its subsequent recoveries.

## Canadian stock market declines and recoveries (S&P/TSX Composite Total Return Index):

| Length of Decline                  | Depth of Decline <sup>3</sup> | 1 yr Later    | 3 yrs Later   | 5 yrs Later   | 10 yrs Later   |
|------------------------------------|-------------------------------|---------------|---------------|---------------|----------------|
| July 1, 1987 – November 1, 1987    | -25.50%                       | 14.50%        | 13.70%        | 31.90%        | 193.30%        |
| December 1, 1989 – October 1, 1990 | -20.10%                       | 18.60%        | 39.20%        | 67.90%        | 294.50%        |
| April 1, 1998 – August 1, 1998     | -27.50%                       | 28.10%        | 16.60%        | 47.10%        | 200.30%        |
| August 1, 2000 – September 1, 2002 | -43.20%                       | 22.50%        | 72.90%        | 152.50%       | 155.20%        |
| May 1, 2008 – February 1, 2009     | -43.40%                       | 47.60%        | 56.80%        | 102.40%       | 164.30%        |
| July 1, 2018 – December 31, 2018   | -10.60%                       | 22.90%        | 62.30%        | –             | –              |
| February 2, 2020 – March 31, 2020  | -22.75%                       | 45.23%        | 56.10%        | –             | –              |
| <b>Averages</b>                    | <b>-27.58%</b>                | <b>28.49%</b> | <b>45.37%</b> | <b>80.36%</b> | <b>201.52%</b> |

Source: Morningstar®, as of July 25, 2023.

Remember, a long-term approach to investing helps you to stay focused on your goals. If your goals or circumstances change, turn to your investment professional for guidance and to help update your investment strategy if needed.



## Get invested. Diversify. Stay on track.

For more information about investing for the long-term, talk to a **Mutual Fund Representative<sup>4</sup>** today.



<sup>1</sup> Period from May 31, 1993 to June 30, 2023. <sup>2</sup> Source: Morningstar®, as of July 25, 2023. <sup>3</sup> Based on the assumption that investments are made at the beginning of the month in which they occur, and the percentage rate in the portfolio decline is calculated through to the end of each month.

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