Market Volatility

A HISTORICAL PERSPECTIVE

Markets go up in the long-term

While short-term downturns occur in the markets, the long-term trend has been firmly upward reflecting the growth of the Canadian and world economy. Historically, the markets recovered after each downturn demonstrating that ups and downs are part of stock market performance and something long-term investors are used to riding out.

1	2	3	4	5
CRASH OF '87	**TECH BUBBLE**	**U.S. FINANCIAL CRISIS**	**STOCK MARKET DOWNTURN**	**CHINA STOCK MARKET CRISIS**
-25.4%	-43.2%	-43.3%	-15.8%	-13.1%
JUL 1987 - NOV 1987	AUG 2000 - SEP 2002	MAY 2008 - FEB 2009	MAR 2011 - May 2012	AUG 2014 - JAN 2016

Recovering from Down Markets

24%

The S&P/TSX index increased by an average of 24% during the first twelve months following the bottom of these market downturns.

23.4

The average length of time it took these down markets to return to their original high was 23.4 months

5.6

The average length of market growth between these down markets was 67 months or 5.6 years.

This graph illustrates historical performance of the S&P/TSX Total Return Index. A $10,000 investment in January 1969 grew to $628,931 on March 13, 2020. Market downturn calculations refer to the five downturns noted in the above graph and use month-end closing value of the S&P/TSX Total Return Index.

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