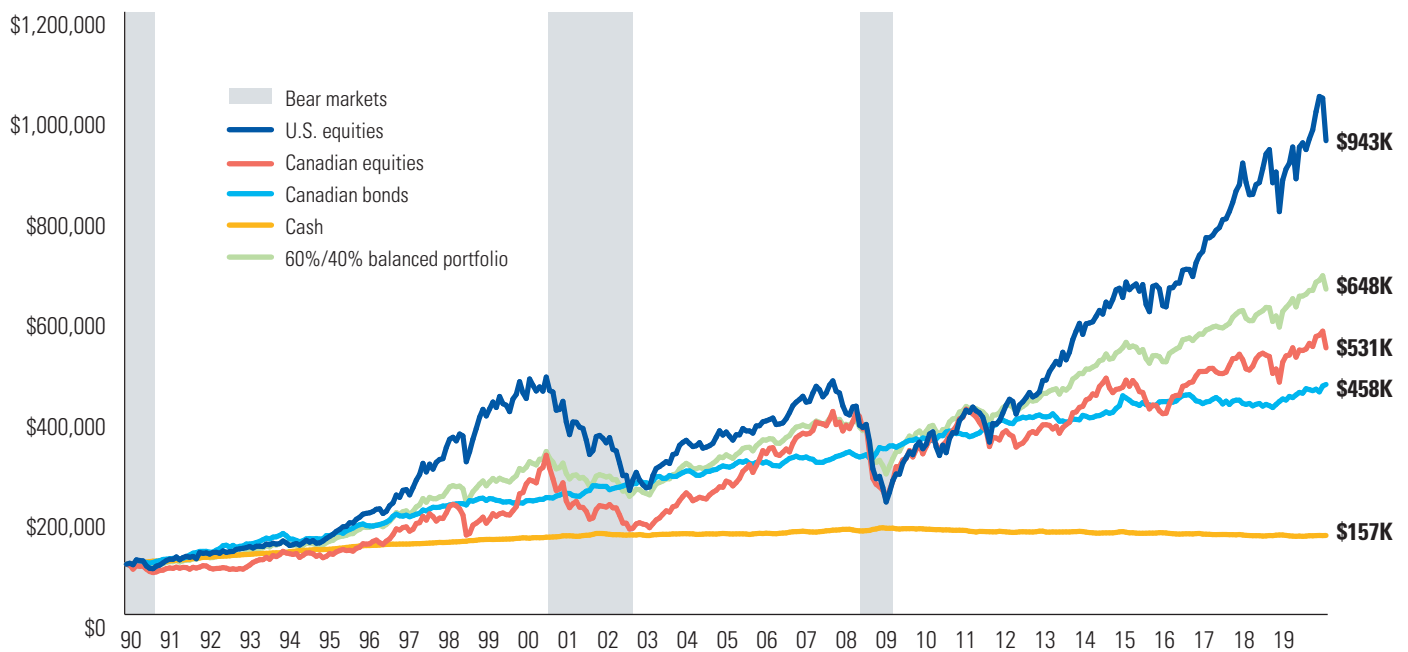


# Staying the Course in a Bear Market

Market volatility and major downturns may cause investors to rethink their investment approach, including moving to cash. Historically, a better approach has been to follow the lessons of the most successful investors: staying the course during a downturn – even adding to positions when the situation seems to be at its very worst – and then sitting tight for what history tells us will be the inevitable recovery.

As the chart below shows, whether it's stocks, bonds, or a mix of the two, time and time again bear markets have been followed by recoveries that exceed previous highs, while cash has only provided minimal opportunity for growth.

## Growth of 100,000 over the last 30 years (inflation adjusted)



Source: Morningstar Direct, as at February 29, 2020. Returns are adjusted for inflation monthly using the Consumer Price Index (CPI) for Canada. U.S. equities represented by S&P 500 TR USD; Canadian equities represented by S&P/TSX Composite TR; Canadian bonds represented by FTSE Canada Universe Bond; 60%/40% balanced portfolio represented by 30% S&P 500 TR, 30% S&P/TSX Composite TR, 40% FTSE Canada Universe Bond; cash represented by FTSE TMX 91 Day T-bill.

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