

Market Correction or Bear Market?

AGF SOUND CHOICES

Market corrections can be unnerving to investors trying to understand if the decline is a shorter-term pullback or the beginning of a sustained downturn. Shorter-term declines or 'market corrections' happen frequently and can trigger the fear of a bigger market decline – but most don't actually result in a bear market, a decline of 20%.

95% The percentage of corrections that have **NOT** led to bear markets

5%

320 Corrections of 5% or more

3.4 Mean number of occurrences per year

35 Mean number of days of correction

10%

99 Corrections of 10% or more

1.1 Mean number of occurrences per year

100 Mean number of days of correction

15%

45 Corrections of 15% or more

0.5 Mean number of occurrences per year

186 Mean number of days of correction

20%

26 Corrections of 20% or more

0.3 Mean number of occurrences per year

289 Mean number of days of correction

* Based on Ned Davis Research data of S&P 500 Index performance between January 3, 1928 and February 22, 2022. One cannot invest directly in an index.

FOR ADVISOR USE WITH INVESTORS

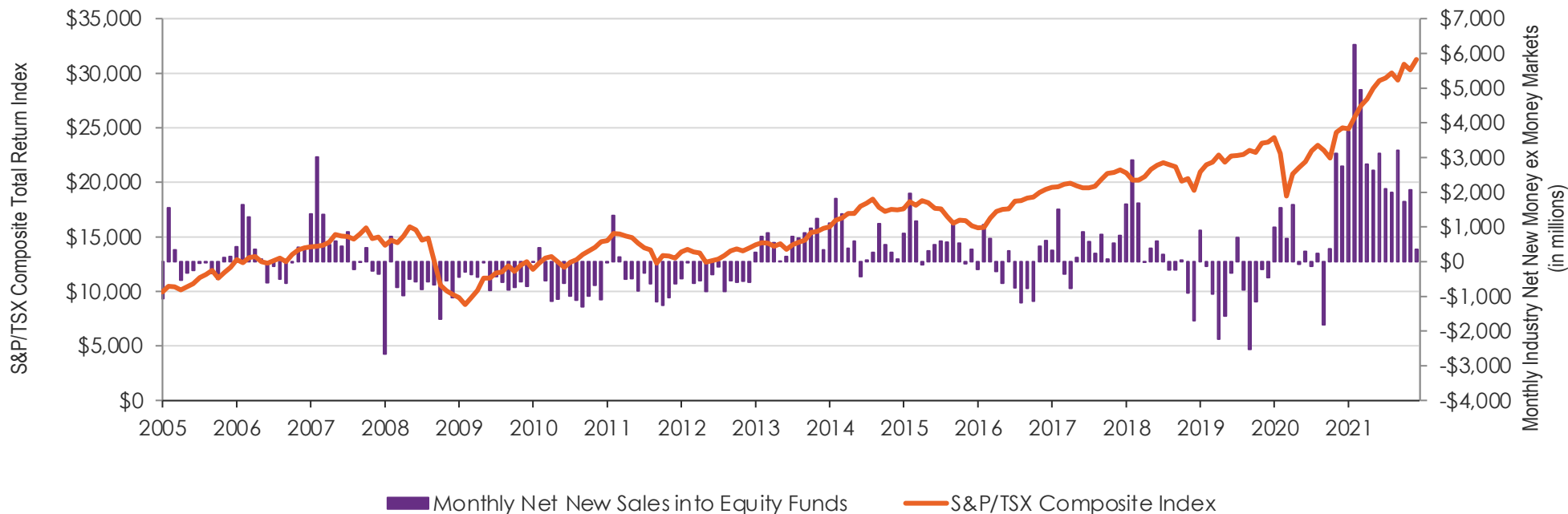
This document is intended for advisors to support the assessment of investment suitability for investors. Investors are expected to consult their advisor to determine suitability for their investment objectives.



20220228-2055048

So Why Do Some Investors Still Buy High And Sell Low?

Investors know intuitively to buy low and sell high – but even the most seasoned investors can find their own emotions affect the decision-making process. Market volatility or declines often make people nervous and they can react by pulling their money out of the market. Similarly when markets have persistently gone up, investors often buy in at the wrong time. Staying focused on the long term can help investors tune out the noise.



Source: IFIC Primary View and Morningstar Direct, as of December 31, 2021.

This is a hypothetical example, for illustrative purposes only. All values are in Canadian dollars. You cannot invest directly into an index.

©2022 Morningstar. All Rights Reserved. The information, data, analyses and opinions contained herein (1) include the confidential and proprietary information of Morningstar, (2) may include, or be derived from, account information provided by your financial advisor which cannot be verified by Morningstar, (3) may not be copied or redistributed, (4) do not constitute investment advice offered by Morningstar, (5) are provided solely for informational purposes and therefore are not an offer to buy or sell a security, and (6) are not warranted to be correct, complete or accurate. Except as otherwise required by law, Morningstar shall not be responsible for any trading decisions, damages or other losses resulting from, or related to, this information, data, analyses or opinions or their use. This report is supplemental sales literature. If applicable it must be preceded or accompanied by a prospectus, or equivalent, and disclosure statement.

All information in Canadian dollars unless otherwise stated. For illustrative purposes only. Commissions, trailing commissions, management fees and expenses all may be associated with investment fund investments. Please read the prospectus before investing. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

The contents of this website are provided for informational and educational purposes and are not intended to provide specific individual advice including, without limitation, investment, financial, legal, accounting, or tax. Please consult with your own professional advisor on your particular circumstances.

© The “AGF” logo and “Sound Choices” are registered trademarks of AGF Management Limited and used under licence.

Publication date: February 28, 2022.