

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

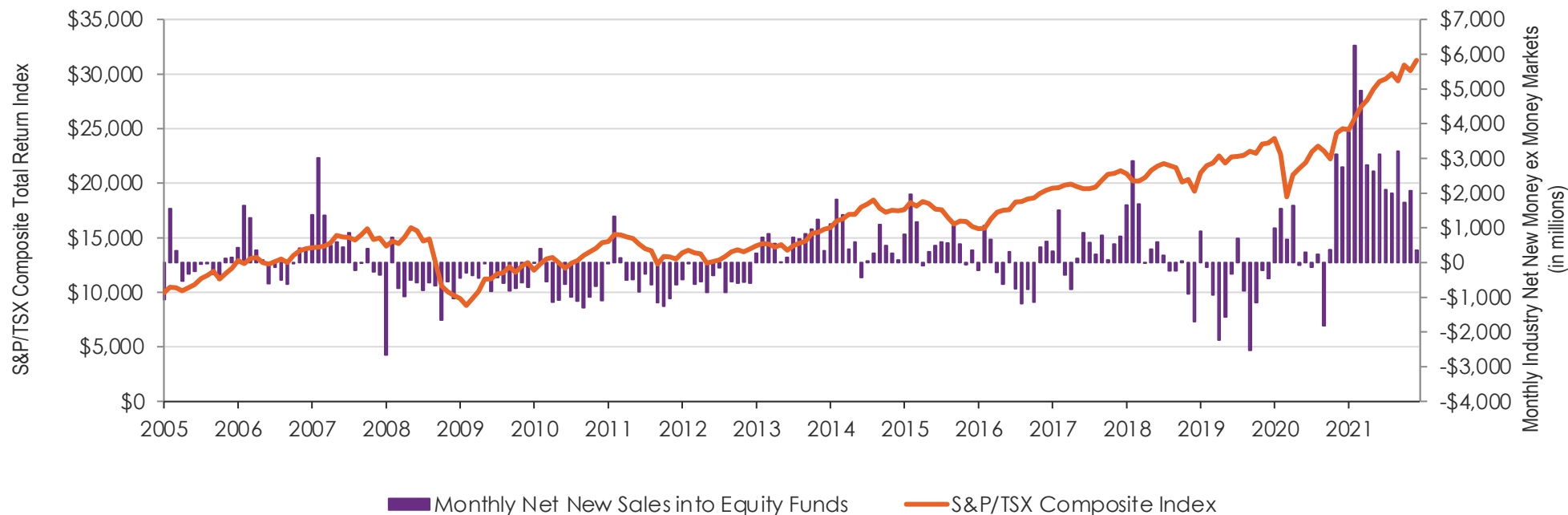
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So Why Do Some Investors Still Buy High And Sell Low?

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.

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