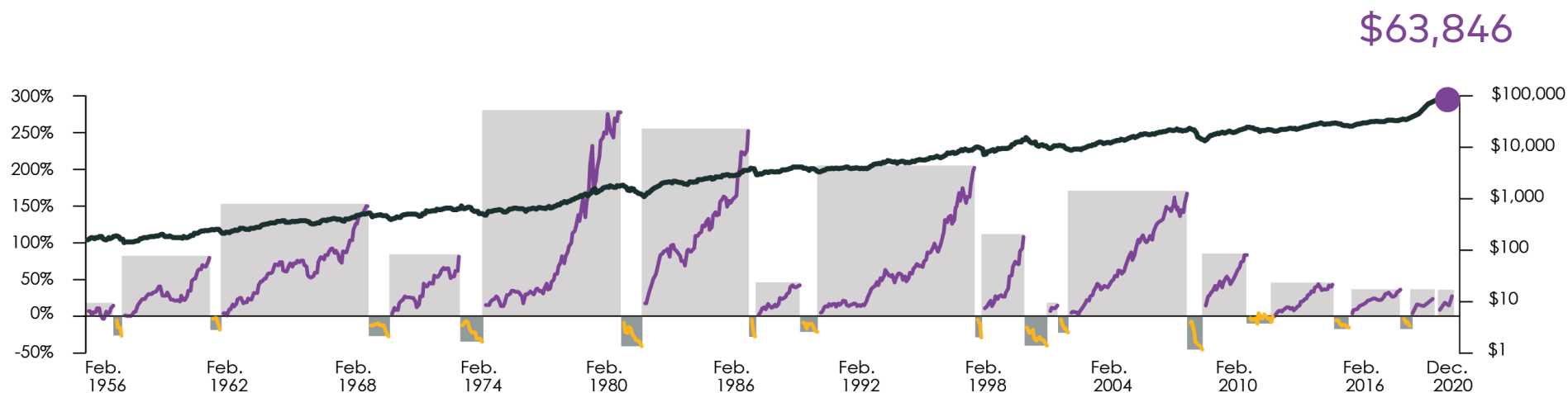


# Bulls versus Bears

AGF SOUND CHOICES

Throughout history, bull markets are, on average, longer and more intense than bear markets. Not only do they last longer, their percentage swings are more significant. In the end, the results speak for themselves.

Since 1956, a \$250 investment into the S&P/TSX Composite Total Return Index would have grown to **\$63,846** by the end of December 2020.



## Bull market:

a prolonged period in which market prices move upwards over an extended period of time

## Bear market:

a prolonged period in which market prices move downwards over an extended period of time

## The facts

Average length of bear market:	<b>8.2 months</b>
Average drop in bear market:	<b>24.57%</b>
Average length of bull market:	<b>40.8 months</b>
Average gain in bull market:	<b>101.5%</b>

Source: Bloomberg and Morningstar Direct, S&P/TSX Composite Total Return Index, February 1, 1956 – December 31, 2020. The information provided is for illustrative purposes only and is not meant to provide investment advice. You cannot invest directly in an index.

# Recovery Period after Bear Markets

In a crisis, investors may think that the trigger is something entirely new. However, no matter the cause, there has historically been a consistent pattern of strong recovery one to two years after the crisis low.

	Event Date	1 year later	2 years later
<b>1948-49 Berlin Blockade*</b>	July 19, 1948	-3.3%	13.2%
<b>1950-53 Korean War*</b>	July 13, 1950	28.8%	39.3%
<b>1962 Stock Market Break*</b>	June 26, 1962	32.3%	55.1%
<b>1962 Cuban Missile Crisis*</b>	October 23, 1962	33.8%	57.3%
<b>1963 Kennedy Assassination*</b>	November 22, 1963	25.0%	33.0%
<b>1964 Gulf of Tonkin*</b>	August 6, 1964	7.2%	3.1%
<b>1969-70 Stock Market Break*</b>	May 26, 1970	43.6%	53.9%
<b>1973-74 Stock Market Break*</b>	December 6, 1974	42.2%	66.5%
<b>1979-80 Oil Crisis*</b>	March 27, 1980	27.9%	5.9%
<b>1987 Stock Market Crash*</b>	October 19, 1987	22.9%	54.3%
<b>1990 Persian Gulf War*</b>	August 23, 1990	23.6%	31.3%
<b>2001 September 11<sup>th</sup> Terrorist Attack on U.S.**</b>	September 11, 2001	-8.1%	2.9%
<b>2003 Invasion of Iraq by Coalition Forces**</b>	March 31, 2003	29.9%	34.7%
<b>2008-09 Peak of Sub-prime Mortgage Collapse**</b>	March 6, 2009	64.8%	95.1%
<b>Average appreciation</b>		<b>26.5%</b>	<b>39.0%</b>

\* Sources: *Contrarian Investment Strategies: The Next Generation* by David Dreman, 1998, Simon and Schuster. Performance of the Dow Jones Industrial Average through 11 major post-war crises.

\*\* Source: Morningstar Direct, as at February 8, 2018, Dow Jones Industrial Average Total Return Index (U.S. \$)

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

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