

## The Headlines May Trigger Excuses Not to Invest

Negative events in the media may cause people to react emotionally and lose sight of their investment strategy. In the past three decades alone, there have been a number of events that may have kept investors on the sidelines. When you look at the big picture, over the last 30 calendar years, the S&P/TSX Composite Index **gained approximately 1316% or 9% per year and 22 of the 30 years had positive returns.**

Year	S&P/TSX %*	World Headlines	Year	S&P/TSX %*	World Headlines
1985	25.1%	Rome and Vienna Airport Attacks	2003	26.7%	President Bush Declares War on Iraq
1987	5.9%	<b>“Black Monday”;</b> Record Setting Market Decline	2006	17.3%	New Fed Chair; Greenspan Replaced by Big Ben
1990	-14.8%	<b>IRAQ Invades Kuwait</b>	2007	9.8%	Panic of 2007; Global Banks Start Reporting Billions in Losses
1991	12.0%	<b>Collapse of the USSR;</b> <b>U.S. Recession</b>	2008	-33.0%	<b>Subprime Mortgage Crisis;</b> Bear Stearns, Lehman Collapse
1992	-1.4%	Standard & Poor’s Downgrades Canada’s Credit	2009	35.1%	Chrysler and General Motors File for Bankruptcy U.S. Unemployment Reaches Highest Level Since 1983
1993	32.6%	World Trade Centre Bombed	2010	17.6%	Greece ‘Contagion Fears’; Flash Crash
1994	-0.2%	Bond Market Crash	2011	-8.7%	<b>U.S. Debt Downgrade;</b> Eurozone Debt Crisis <b>Japan Earthquake</b> Triggers Deadly Tsunami
1997	15.0%	<b>Asian Market Crisis</b>	2012	7.2%	Commodities Boom Ends Cyprus Banking Crisis
1998	-1.6%	Russian Financial Crisis	2014	10.6%	Crude Awakening; Oil Price Collapses
1999	31.7%	Y2K Chaos Predictions			
2000	7.4%	<b>Tech Bubble Burst</b>			
2001	-12.6%	<b>WTC Attacks in New York City</b>			
2002	-12.4%	Worldcom Goes Under; Largest U.S. Bankruptcy to Date			

\*The S&P/TSX Composite Index percentage total return per calendar year.

# What Has History Taught Us?

## Canadian Stock Market Declines and Recoveries (S&P/TSX Composite Total Return Index)

Those individuals who invest regularly in a diversified portfolio and stay invested for the long term have typically benefited. The following chart illustrates historical downturns in the Canadian equity market and its subsequent recoveries.

Length of Decline	Depth of Decline <sup>1</sup>	1 yr Later	5 yrs Later	10 yrs Later
4 months ending November 1987	-25.5%	14.5%	31.9%	193.3%
10 months ending October 1990	-20.1%	18.6%	67.9%	294.5%
4 months ending August 1998	-27.5%	28.1%	47.1%	200.3%
25 months ending September 2002	-43.2%	22.5%	152.5%	155.2%
9 months ending February 2009	-43.4%	47.6%	102.4%	-
Averages	-32.0%	26.3%	80.4%	210.8%

Source: Morningstar® EnCorr®

Get invested. Diversify. Stay on track.

For more information about investing for the long term, contact your Financial Advisor today.



<sup>1</sup>Based on the assumption that investments are made at the beginning of the month in which they occur, and the percentage rate in the portfolio decline is calculated through to the end of each month referenced in the above chart. The statements contained herein are based on material believed to be reliable. Where such statements are based in whole or in part on information provided by third parties, they are not guaranteed to be accurate or complete. The article does not provide individual financial, legal, tax or investment advice and is for information purposes only. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any fund. Particular investment or trading strategies should be evaluated relative to each individual's objectives and risk tolerance. Index returns are shown for comparative purposes only. Indexes are unmanaged and their returns do not include any sales charges or fees as such costs would lower performance. It is not possible to invest directly in an index. TD Asset Management Inc. ("TDAM"), The Toronto-Dominion Bank and its affiliates and related entities are not liable for any errors or omissions in the information or for any loss or damage suffered. ©2015 Morningstar is a registered mark of Morningstar Research Inc. All rights reserved. All trademarks are the property of their respective owners. ®The TD logo and other trade-marks are the property of The Toronto-Dominion Bank.