MACKENZIE Investments

Be Invested.

Market volatility

Investor's guide

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It's about time in the market, not timing the market.

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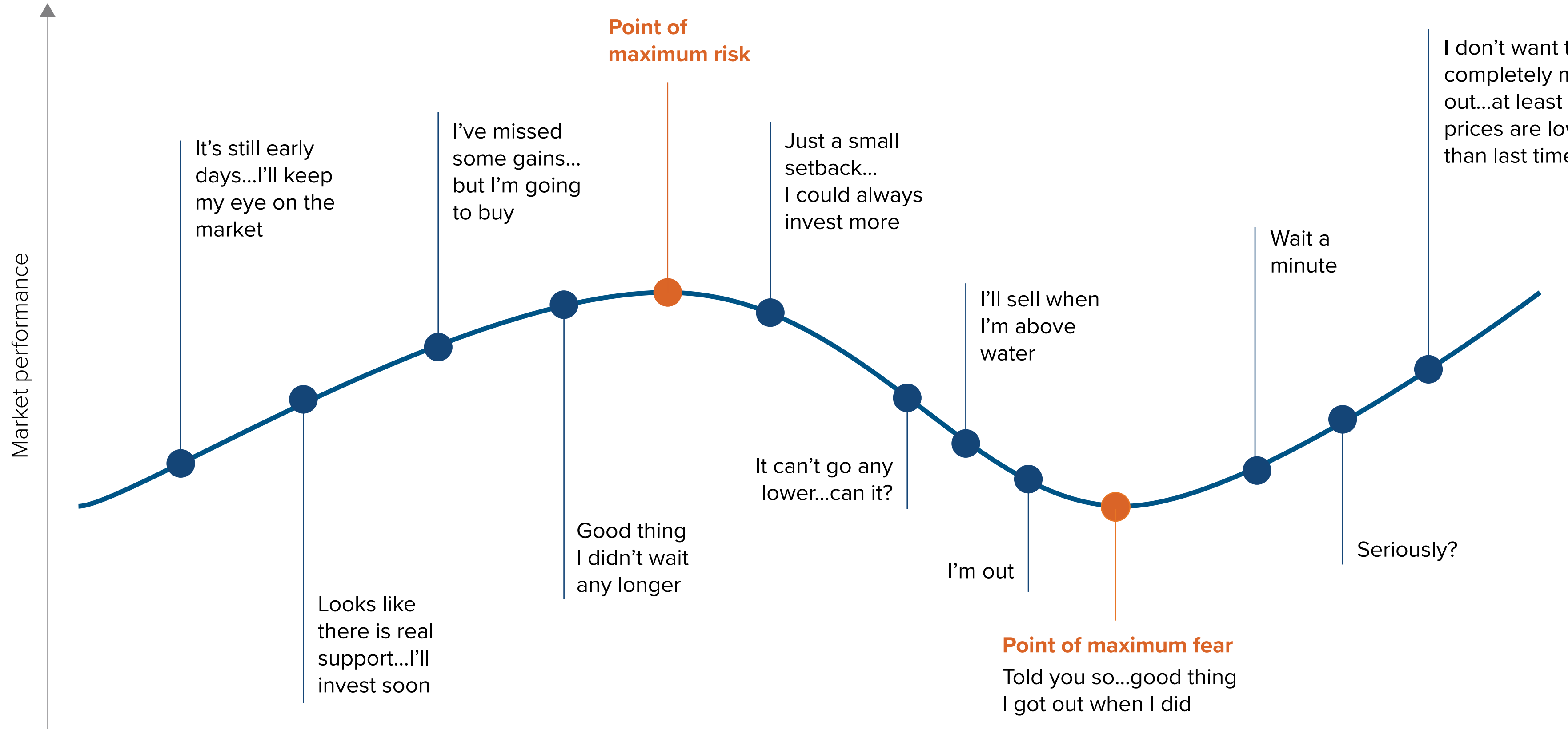
Emotions can compromise financial health.



Source: Darst, David M. (Morgan Stanley and Companies, Inc.). The Art of Asset Allocation, 2003.

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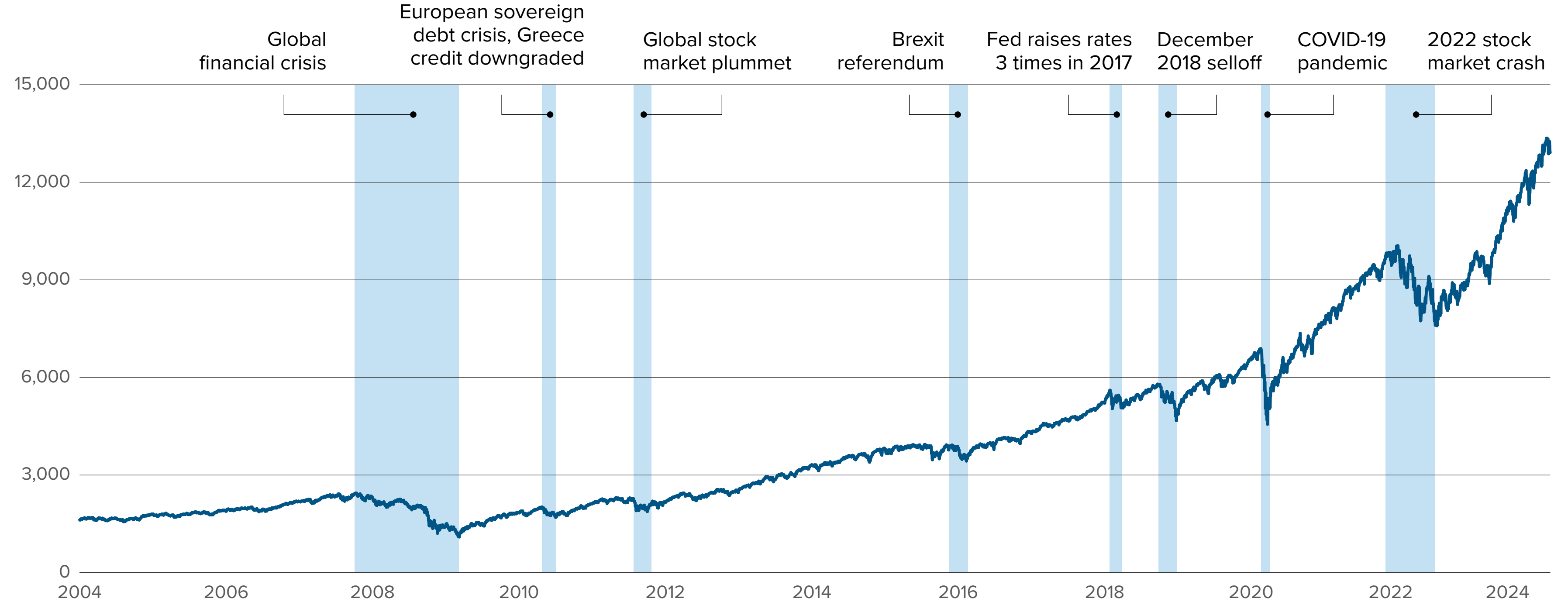
The market has faced many economic downturns over time

Historically, despite many periods of increased volatility, markets have remained resilient.

S&P 500 index (USD) – Total return



Source: Morningstar Direct, as at December 31, 2024.

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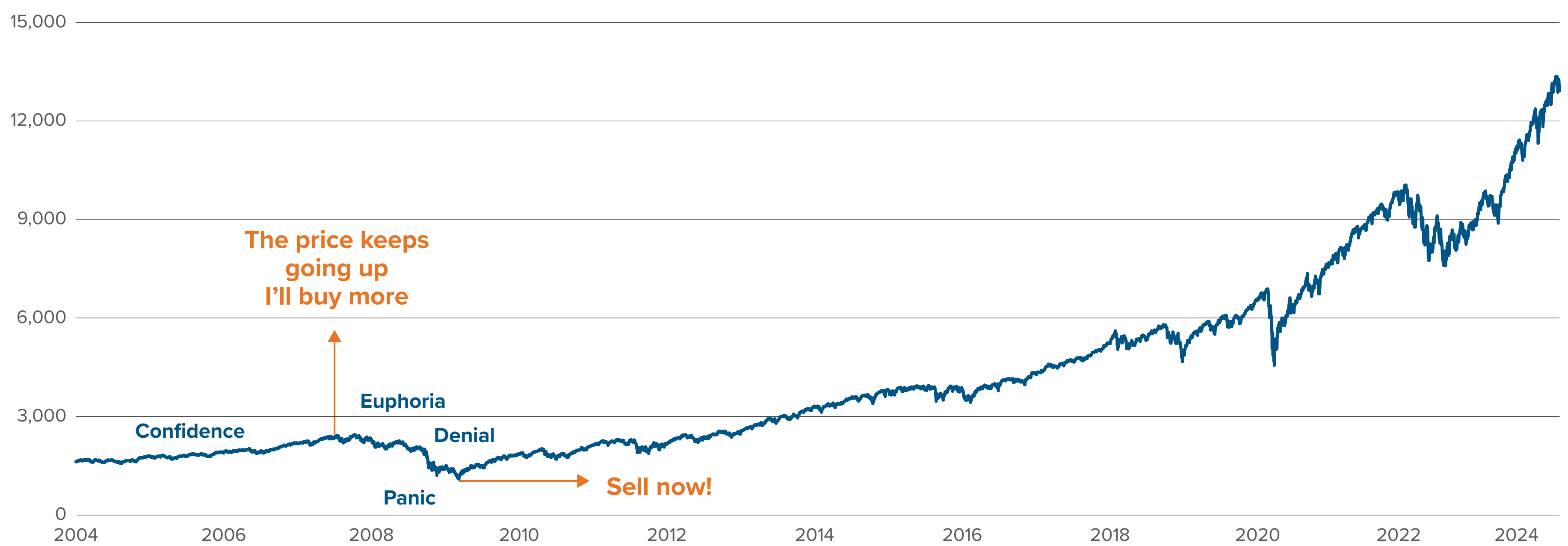
These downturns can create an emotional rollercoaster

It's not easy for investors to manage their emotions. There is a tendency to get excited and buy just as markets are set to decline, and to panic and sell just as markets are set to recover.

S&P 500 index (USD) – Total return



Source: Morningstar Direct, as at December 31, 2024.

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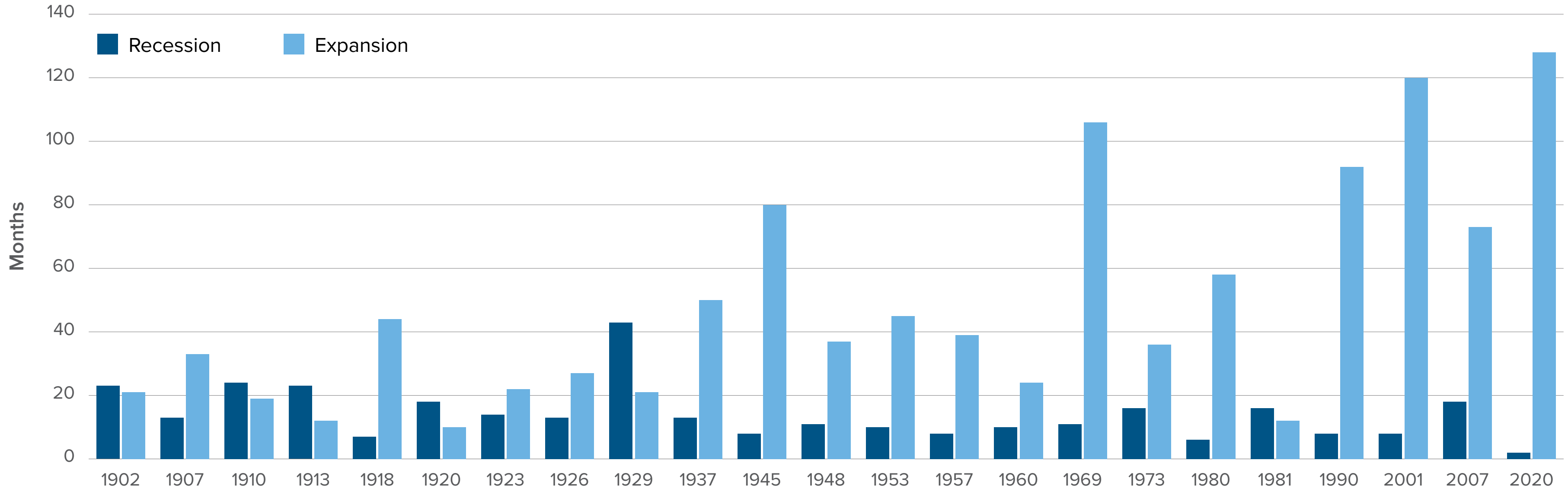
Recessions, while unsettling, are usually short-lived

The good times (economic expansion) usually last much longer than the bad times (economic recession).

Length of recessions and expansions – September 1902 to April 2020



Expansion is the number of months from the previous trough to latest peak.

Recession is the number of months from the peak to the trough of the market cycle.

For example March 1991 to March 2001 was an expansionary period lasting 120 months.

Source: National Bureau of Economic Research

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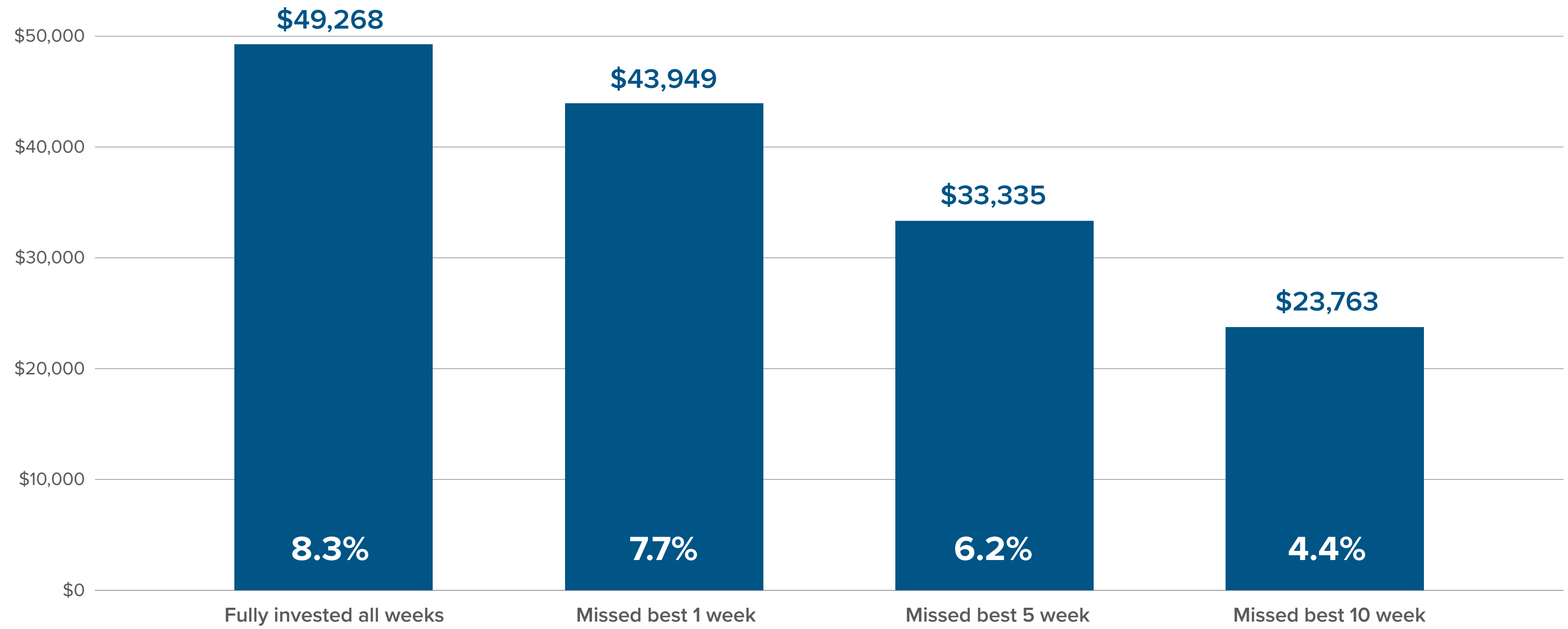
Historically, stock markets have rebounded from selloffs, with some of the best days coming on the heels of the worst, so it typically pays to remain invested through volatile times.

VALUE OF $10,000 INVESTED IN THE S&P 500 INDEX FOR 20 YEARS



Source: Bloomberg, December 31, 2024

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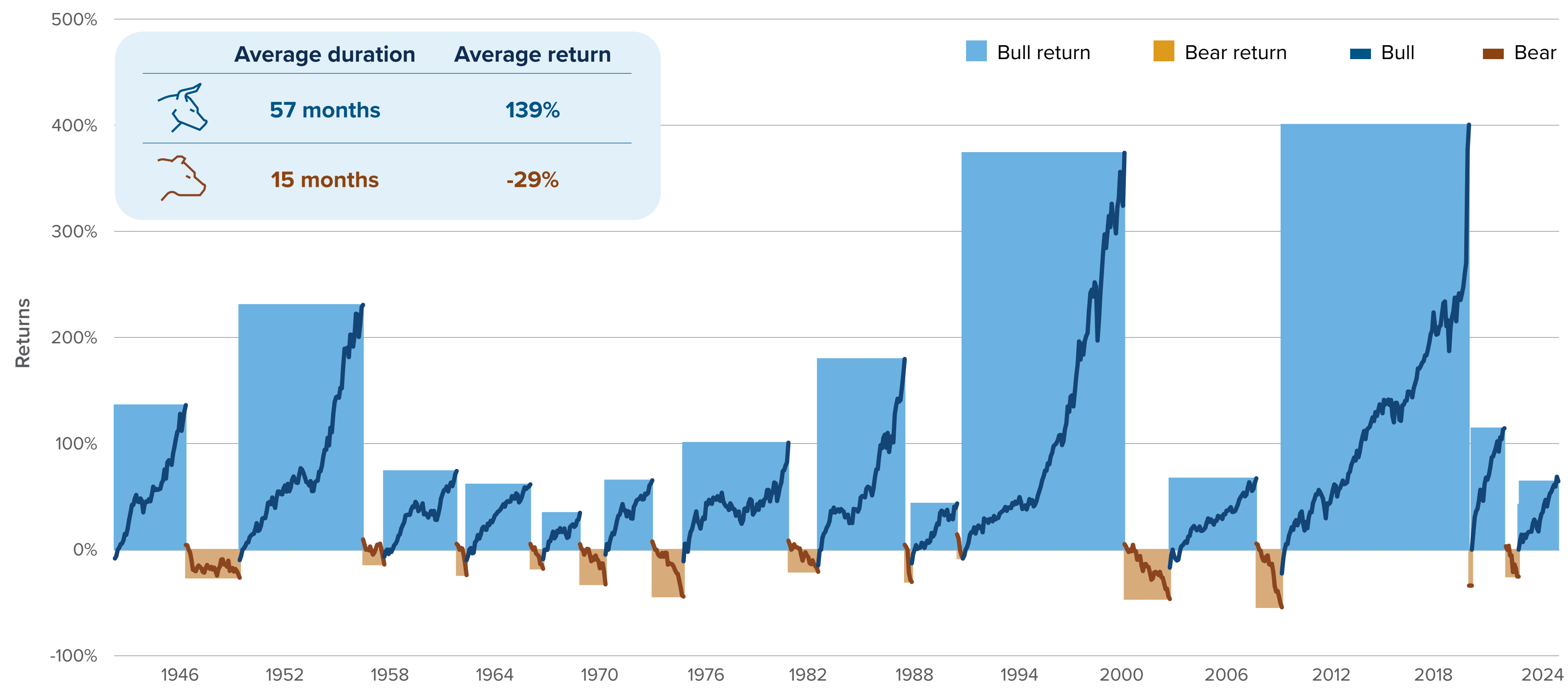
Bulls outrun bears since 1942

The average length of a bull market is much longer than a bear market, where gains in a bull market often far exceed losses in a bear market.

S&P 500 index returns



	Average duration	Average return
Bull	57 months	139%
Bear	15 months	-29%

Source: Bloomberg, December 31, 2024.
Local currency; price only returns, A bull (bear) market is defined as a prositive (negative) move greater than 20%.

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Investing is a long-term process. By focusing on the future, you can ride out occasional volatility.

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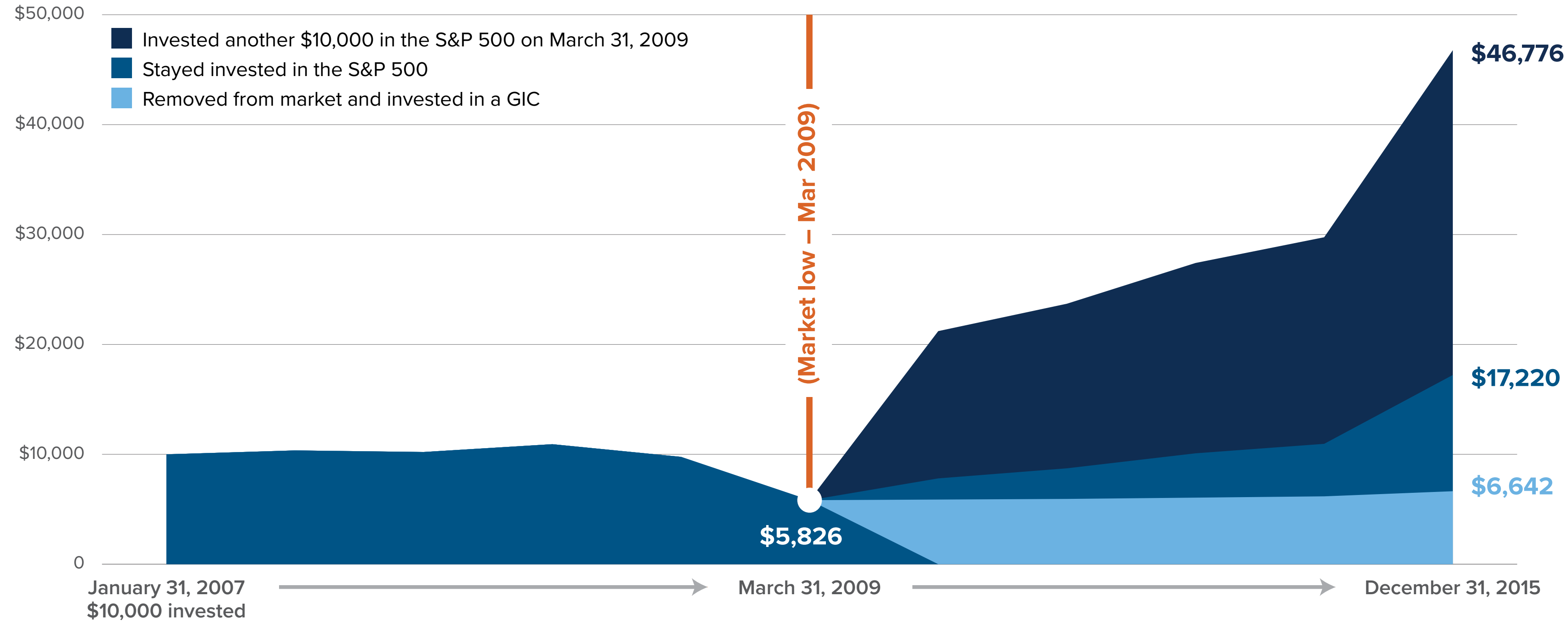
Avoid trying to time the market

It's virtually impossible to know when markets will rebound. Trying to time the market may sometimes look like a smart move, but your long-term investment performance will likely be worse than if you had simply stayed invested through the bad times.

Growth of $10,000 – S&P 500 Index



Source: Bloomberg, January 31, 2009 – December 31, 2015
Unlike mutual funds, the returns and principal of GICs are guaranteed.

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Asset allocation remains the most important aspect of portfolio management

By diversifying your portfolio across different asset classes, you can achieve greater consistency in returns, and ultimately protect yourself against market volatility.

A diversified portfolio can help reduce volatility

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Best performers	16.0%	40.7%	23.5%	21.4%	24.8%	28.3%	4.0%	24.8%	18.5%	27.1%	-5.6%	24.3%	35.9%
	15.1%	31.0%	9.8%	21.4%	7.3%	17.0%	3.1%	21.7%	16.2%	25.7%	-8.1%	15.0%	21.8%
	14.7%	11.5%	9.7%	3.5%	7.3%	14.3%	1.4%	16.2%	8.7%	10.3%	-8.4%	11.6%	17.9%
	12.9%	4.3%	8.8%	2.4%	5.9%	13.7%	-0.8%	12.9%	7.5%	-1.6%	-10.7%	8.5%	14.7%
	7.7%	0.9%	7.0%	1.2%	5.0%	9.2%	-3.4%	9.5%	6.0%	-1.6%	-11.7%	7.3%	14.5%
	6.0%	-1.2%	6.8%	1.1%	2.5%	3.1%	-5.9%	8.3%	5.9%	-1.7%	-13.4%	6.9%	13.3%
	5.1%	-1.3%	4.2%	-8.6%	1.7%	2.6%	-6.9%	8.1%	5.3%	-2.5%	-13.9%	6.7%	4.2%
Worst performers	3.6%	-4.3%	-1.9%	-10.4%	-2.4%	2.5%	-9.3%	6.9%	4.7%	-3.1%	-15.0%	4.7%	0.3%

- Emerging Market Equites
- US Equities
- Canadian Equities
- EM Bond (Local currency)
- International Dev Market Equities
- Developed ex-US Aggr Bond
- Canadian Fixed Income
- US Fixed Income

Source: Morningstar Direct, as of December 31, 2024. All returns calendar annual returns in CAD.Canadian Equities: Solactive Canada Broad Market TR CAD, U.S. Equities: Solactive US Large Cap TR CAD, International Developed Market Equities: Solactive GBS DM ex NA L&M C TR CAD, Canadian Fixed Income: FTSE Canada Universe Bond, U.S. Fixed Income: Bloomberg US Agg Float Adj TR Hedged CAD, Developed ex-U.S. Aggregate Bond: Bloomberg Gbl Agg xUSD 10% IC TR Hdg USD, EM local currency bonds: JPM GBI-EM Global Core TR USD. Emerging Market Equities: MSCI EM GR CAD.

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Consider a 'Dollar-Cost Averaging' strategy

Rather than investing all your money at once, making a commitment to invest a smaller amount on a regular basis may lower your average cost per unit by purchasing more units at lower prices.

DCA in a fluctuating market

Falling market
Reduce the effects of market risk by buying more units at lower prices.

Rising market
Reduce the effects of market risk by buying fewer units at higher prices.

This hypothetical illustration shows how investing $300 each month in a fluctuating market can potentially help reduce the overall cost of the portfolio by buying more securities when the price is lower and fewer when the price is more expensive. For illustrative purposes only.

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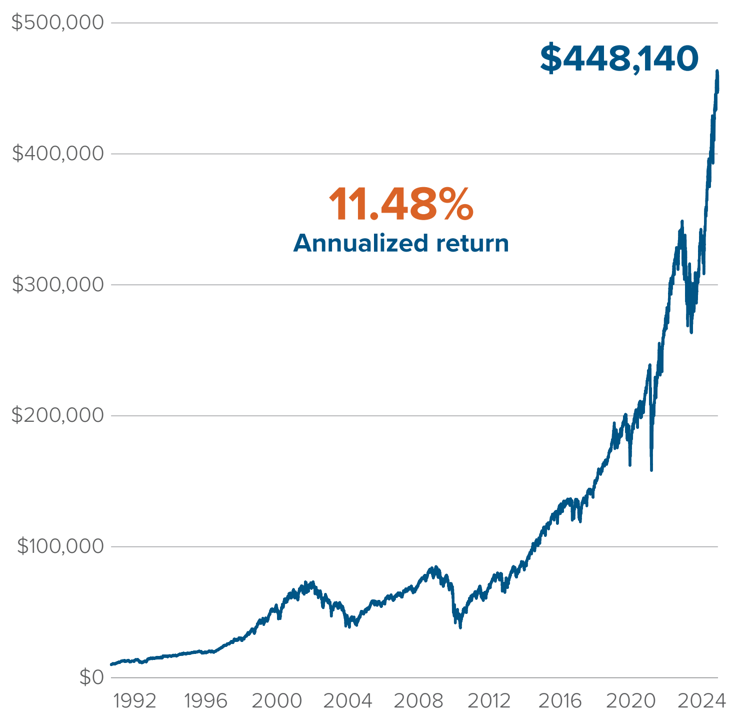
Markets eventually recover despite volatility

Staying the course is of the utmost importance during periods of volatility as it has historically enabled investors to fully recover from these periods and achieve their long-term investment goals.

Growth of a $10,000 investment, 1989-2024 (S&P 500 Index (USD) – Total Return)



Crisis	Market low	Related market decline	1 yr later	2 yr later
The Korean War	13-Jul-50	-14.00%	31.70%	49.70%
Cuban Missile Crisis	23-Oct-62	-26.40%	36.50%	59.20%
JFK Assassination	22-Nov-63	-2.80%	23.90%	31.60%
1969 to 70 Market Break	26-May-70	-36.10%	43.70%	59.70%
1973 to 74 Market Break	06-Dec-74	-45.90%	33.50%	59.30%
1979 to 80 Oil Crisis	27-Mar-80	-17.10%	37.10%	14.00%
1987 Stock Market Crash	19-Oct-87	-33.20%	23.20%	54.40%
Desert Storm	11-Oct-90	-19.90%	29.10%	36.30%
Soviet Coup D'état Attempt	19-Aug-91	-3.60%	11.10%	21.20%
Asian Financial Crisis	02-Apr-97	-8.10%	49.30%	72.50%
Dot-com Bubble crash	09-Oct-02	-49.10%	33.70%	44.50%
Sept 11th	21-Sep-01	-11.60%	-12.50%	7.30%
Invasion of Iraq	11-Mar-03	-14.70%	38.20%	49.90%
North Korean Missile Test	17-Jul-06	-6.90%	25.50%	2.10%
Subprime Mortgage Crisis	09-Mar-09	-56.80%	68.60%	95.10%
US Debt Rating Downgrade	03-Oct-11	-19.40%	32.00%	52.20%
Crimea Annexation	03-Feb-14	-5.80%	17.70%	9.80%
China Yuan Devaluation	11-Feb-16	-13.00%	26.60%	43.20%
2018 Global Recession Scare	24-Dec-18	-19.80%	37.10%	57.50%
COVID-19 Pandemic	23-Mar-20	-33.90%	74.80%	99.20%
2022 Stock Market Crash	12-Oct-22	-25.50%	21.60%	62.60%
Average		**-22.08%**	**32.50%**	**46.73%**

Source: Morningstar Direct / Bloomberg. As at December 31, 2024.
Snapshots in time of significant negative impact international events from 1950 to March 2020, and the subsequent change in market value from the S&P 500 Index..