



## Maintaining Perspective During Bear Markets & Extreme Volatility

As we remain in an extremely volatile market environment during this health crisis, we want to provide some information about how markets have performed in the past once they officially enter “bear market” territory (defined as a drop of more than 20% from their highs). The attached report from RBC Global Asset Management takes a look at several previous bear markets, and how they have performed after reaching a 25% drop. As difficult as it is to envision at this point, the majority of these occurrences have led to significant gains in the following years (and even 1 year later in most cases).

As US and Canadian markets are closer to 30% down from their highs, this type of information is very important to keep in mind. While in the short term it is not worthwhile to predict the absolute bottom of the market, keeping perspective about the longer-term nature of proper investing is vital in order to not give into emotional responses these situations create. We must continue to focus on proper asset allocation and the quality of companies to invest in.

Thank you, and please let us know if you have any questions.