

The power of staying invested

Trying to time the market may cause an investor to miss out on long-term growth. Let's take a look at the impact of missing the best one percent of days over 30 years while investing \$10,000 in the S&P/TSX Composite Price Index ("TSX").

Growth of \$10,000 - December 31, 1987 to December 29, 2017



A few days can make a big difference:

A considerable portion of long-term gains can be attributed to a relatively small number of good days. In this example missing the best one percent of days reduced the end value of an investor's portfolio by over \$47,000.

The best days typically come after some of the worst:

Many of the best days shown in this example occurred soon after the bad days. An investor who sells their investment on a bad day may miss out on the good days that follow, thus potentially reducing long-term portfolio value.

Source: TD Asset Management Inc. and Bloomberg Finance L.P.

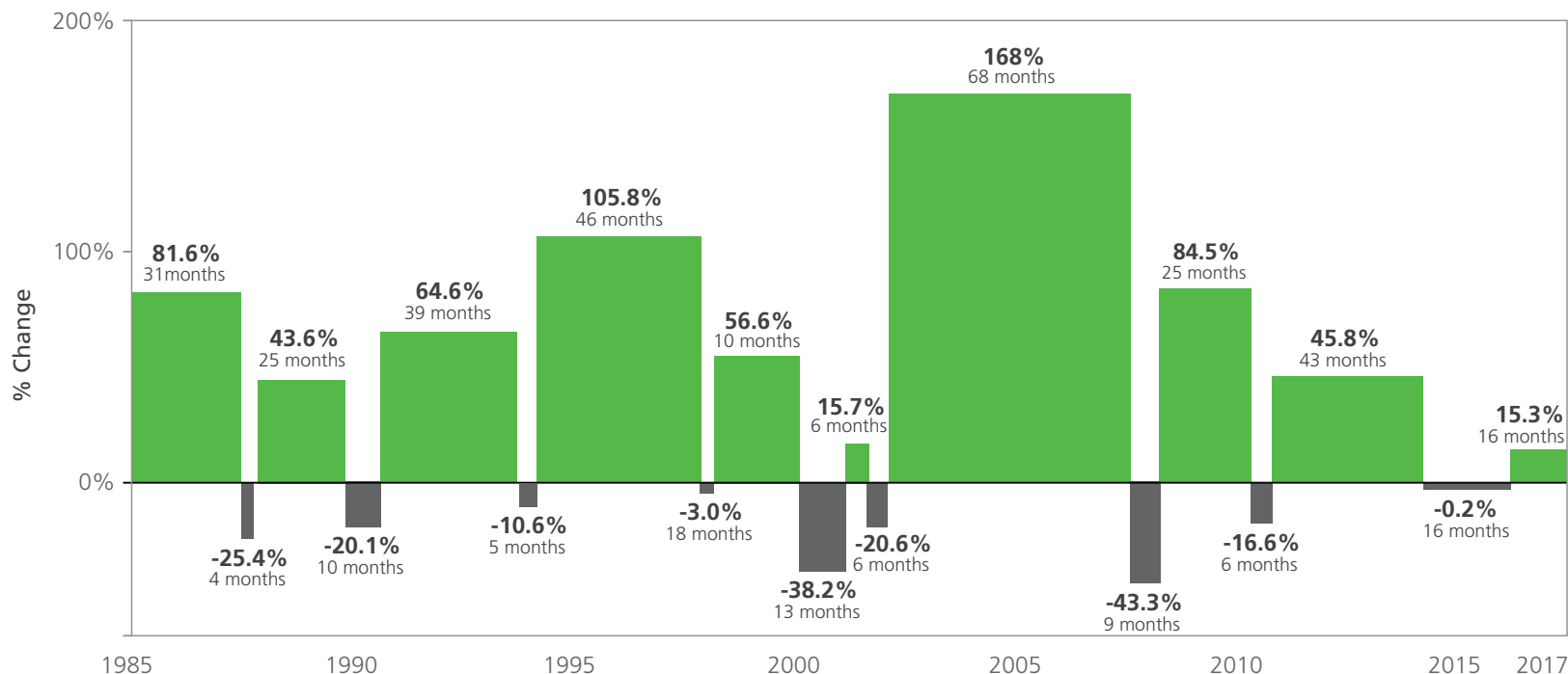
For illustration purposes only. The index returns are shown for comparative purposes only. Indexes are unmanaged and their returns do not include any sales charges or fees as such costs would lower performance. It is not possible to invest directly in an index. The graph is used only to illustrate the effects of the compound growth rate and does not reflect future values of any fund or returns on investment of any fund.



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As history of the markets has demonstrated, during previous bear markets, Canadian equities eventually recovered and resumed their upward trend. That's why it's important to remain focused on your long-term investment objectives and consider staying invested to allow your portfolio the opportunity to participate in any upward market moves. As you can see in the chart below, investors who attempt to time the market or sell during bear markets, may miss out on significant returns during prolonged recovery periods and bull markets.

Canadian bull-bear market cycles: January 1985 – December 2017¹



Source: TD Asset Management Inc. and Morningstar® Direct. Market returns are based on S&P/TSX Composite Total Return Index. The 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.

For more information, speak to your advisor today. Your advisor can explain how staying invested can help benefit your portfolio.



¹The terms bull market and bear market describe upward and downward market trends, respectively. In the illustration above, we classify a price movement of 20% or more (up or down), over any given period as a bull or bear market respectively. In the illustration above, we classify a price movement of 10% or more (up or down), over any given period as a market correction. The information contained in this sales tool has been provided by TD Asset Management Inc. ("TDAM") and is for information purposes only. The information has been drawn from sources believed to be reliable. Graphs and charts are used for illustrative purposes only and do not reflect future values or future performance of any fund. The information does not provide financial, legal, tax or investment advice. Particular investment or trading strategies should be evaluated relative to each individual's objectives and risk tolerance. Bloomberg and Bloomberg.com are trademarks and service marks of Bloomberg Finance L.P., a Delaware limited partnership, or its subsidiaries. All rights reserved. ©2018 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.