

Do not panic, stay calm, be rational.

Gennaro Natale, B.A.Econ., Fin.PI.
Financial Planner
Financial Security Advisor
Group Insurance and Group Plans Advisor



WEALTH MANAGEMENT

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There is a great deal of uncertainty right now with everything going on around corona virus COVID-19. Global markets are falling drastically and when markets go down, our instincts tell us we should do something.

We're inclined to panic and sell our investments or stop contributing altogether. But is that the best approach?

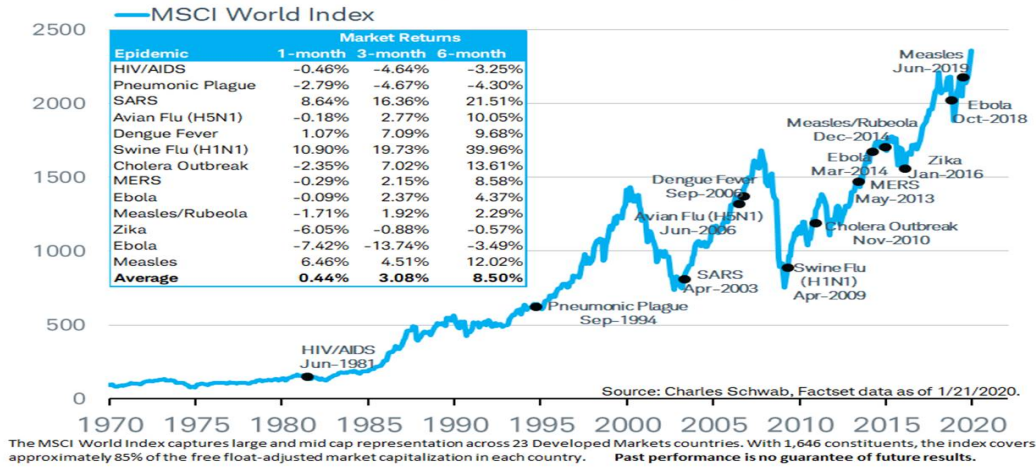
Not every bear market is accompanied by an economic recession, but chances are high. We are facing extraordinary times that may lead to questioning your investments and projects. We are here to help.

At Group Natale, more than ever, we will continue to guide you every step of the way and address each one of your questions. Contact us to learn more on dealing with market volatility.

More importantly, do not panic, stay calm and be rational. We've been there before.

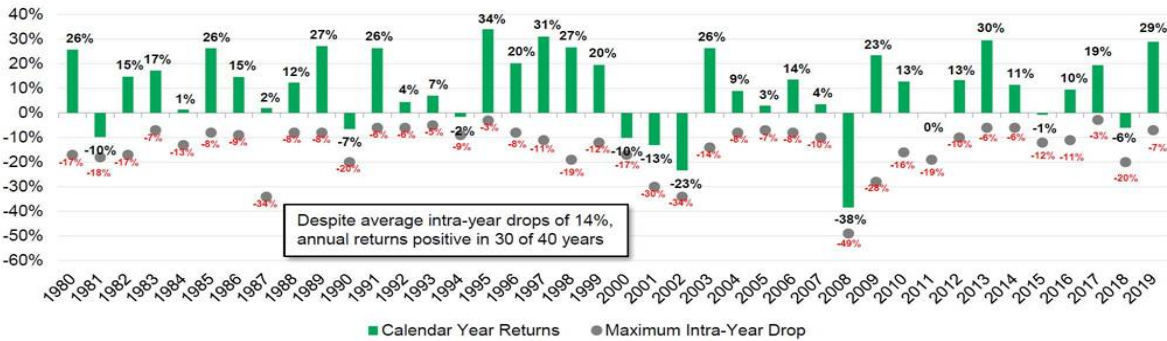


Immune: world epidemics and global stock market performance



Corrections are normal

S&P 500 intra year declines vs. calendar returns (1980 – 2019)



Source: Manulife Investment Management, Bloomberg. As of December 31, 2019

Table of returns in recession, pre and post

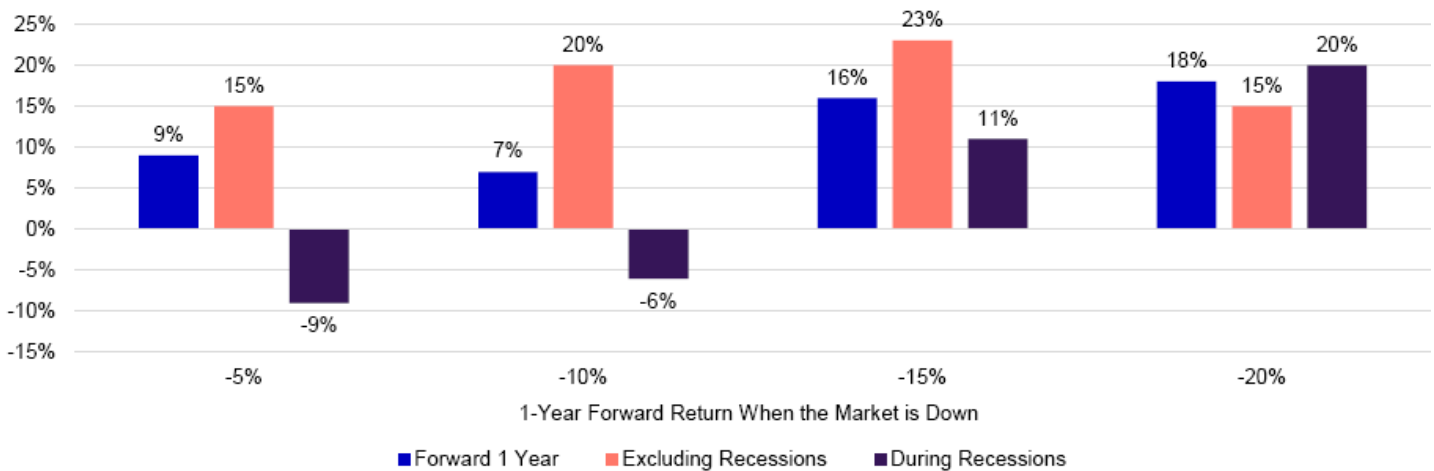
	S&P 500	US Gov't	US Credit	US High Yield Bonds*	CADUSD
R - 24 months**	8.3%	6.1%	3.2%	4.6%	0.8%
R - 12 months	5.5%	6.3%	2.6%	1.7%	1.2%
Recession Period	-7.7%	12.5%	11.0%	0.6%	-3.1%
Equity Peak to Trough	-36.4%	13.3%	6.9%	-16.7%	-6.4%
Trough + 1 Yr	44.1%	9.1%	17.1%	45.8%	7.6%
R + 12 months	8.8%	6.9%	9.0%	17.3%	0.5%
R + 24 months **	6.2%	8.5%	10.8%	17.9%	1.0%

*High Yield since 1990
** CAGR (Compound Annual Growth Rate)

Source: Manulife Investment Management, Bloomberg. As of August 31, 2019

History would suggest investors can profit from the dip – but pay attention to recession risk

Average 1 year forward returns following a sell-off (1987 – current)



Source: Manulife Investment Management, Bloomberg. As of September 30, 2019



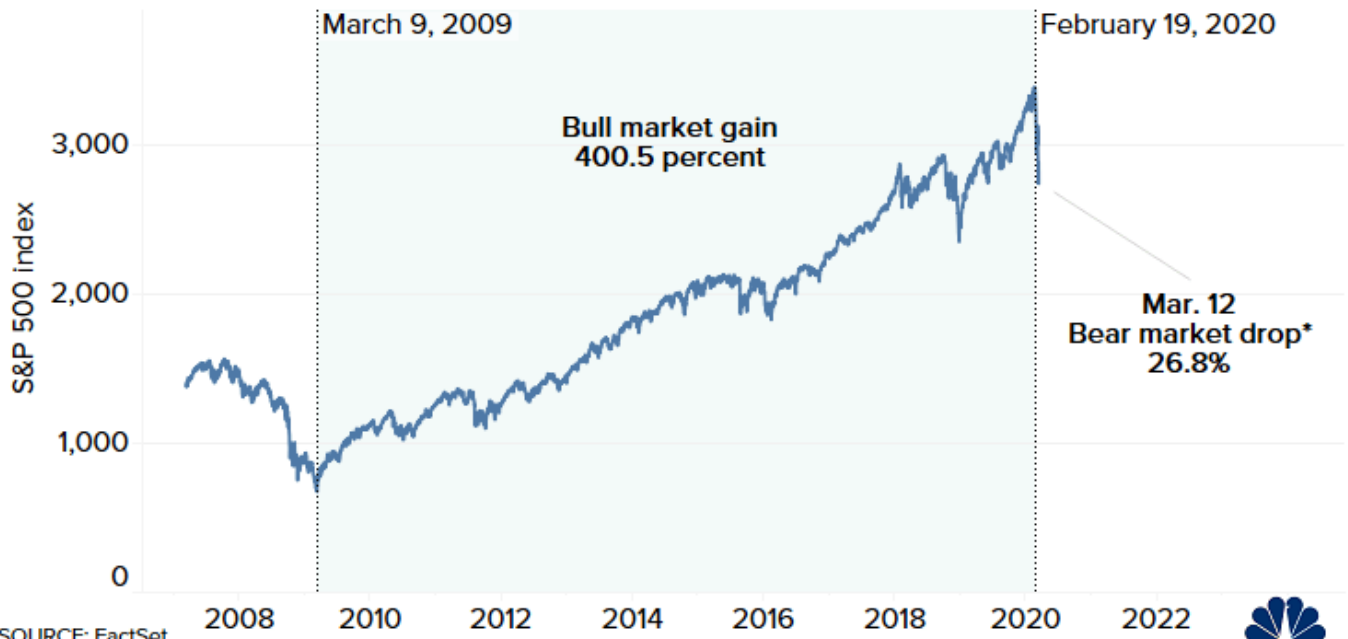
Not all bear markets lead to a recession

S&P 500 performance in bear markets

Month of Peak	Month of Low	Length (Mos.)	Recession?	Percent Decline
May '46	May '47	12	No	-29%
Aug '56	Oct '57	14	Yes	-22%
Dec '61	Jun '62	6	No	-28%
Feb '66	Oct '66	8	No	-22%
Dec '68	May '70	17	Yes	-36%
Jan '73	Oct '74	21	Yes	-48%
Nov '80	Aug '82	21	Yes	-27%
Aug '87	Dec '87	4	No	-34%
Jul '90	Oct '90	3	Yes	-20%
Mar '00	Oct '02	31	Yes	-49%
Oct '07	Mar '09	17	Yes	-56%

SOURCE: LPL Research, Factset. As of 3/10/2020.

S&P 500 bear market



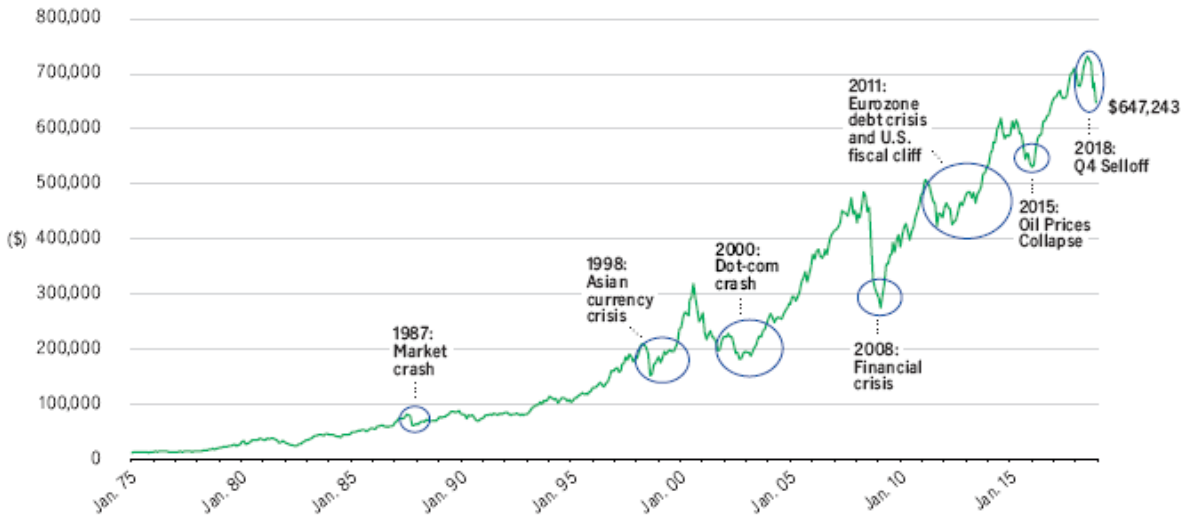
SOURCE: FactSet



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Keeping a long-term view

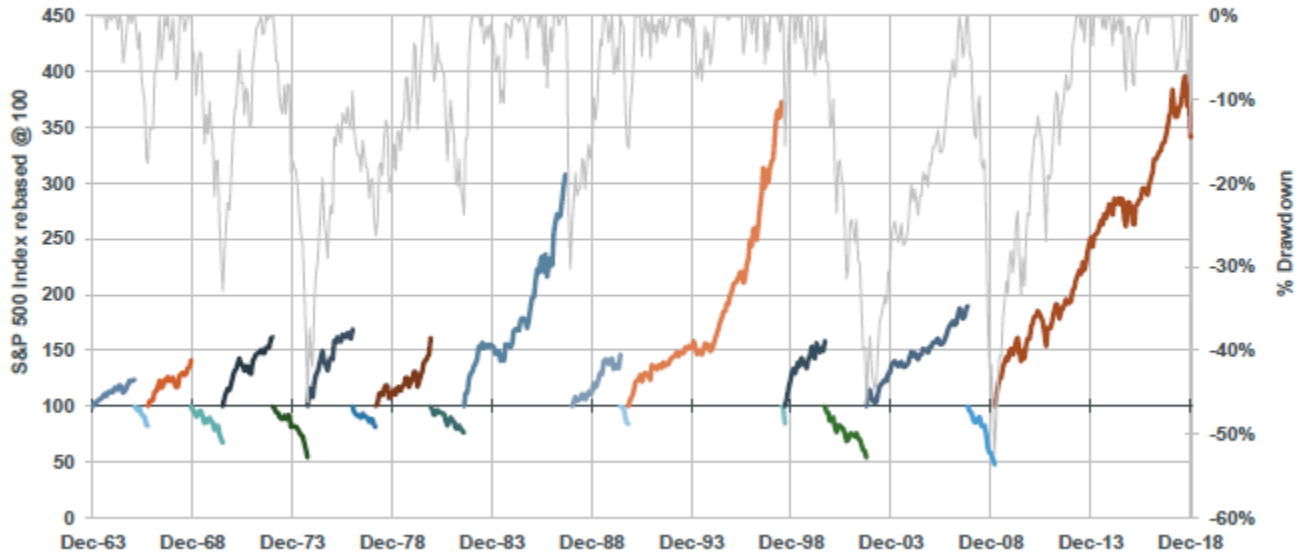
Despite setbacks, the S&P/TSX Composite Total Return Index shows growth over the long term



Source: Morningstar January 1, 1975–December 31, 2018. For illustration purposes only. Green circles indicate periods of market decline. Past performance is not indicative of future performance. S&P/TSX Composite Total Return Index. The index is unmanaged and cannot be purchased directly by investors.

Bear markets are often short-lived

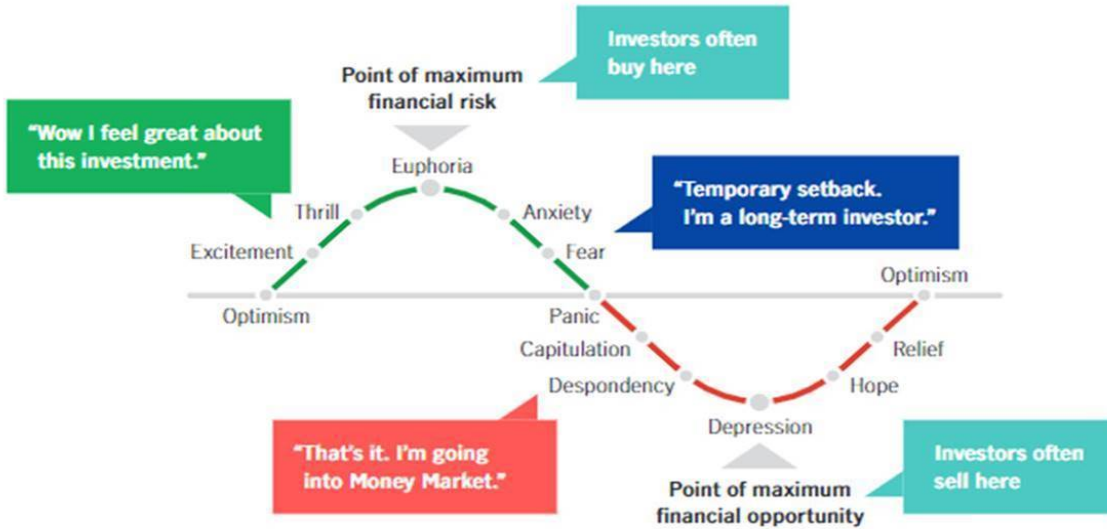
Stay invested through the market cycle



Source: Refinitiv DataStream. S&P 500 Index, US\$; data ranges from December 31, 1963 to December 31, 2019. Past performance is no guarantee of future results.

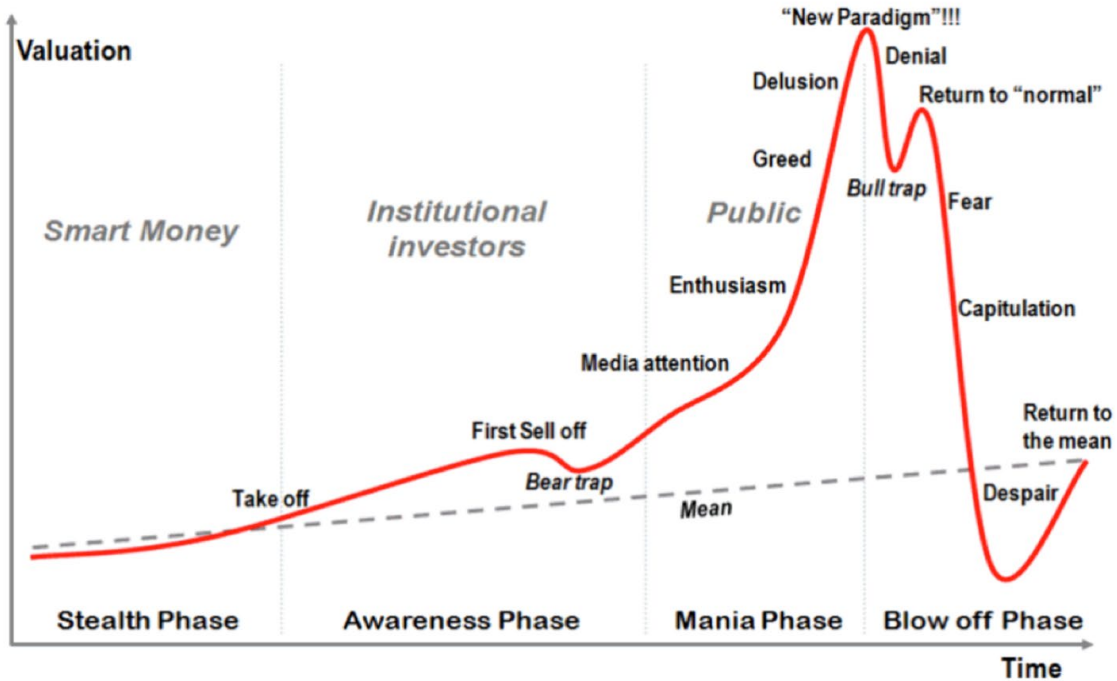
Do not panic, stay calm, be rational.

An investor's emotional rollercoaster



Source: Hays Advisory. This chart is an example and does not represent the performance of any actual investment. This is not meant as investment advice. For illustration purposes only.

Don't get caught in the trap.



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The output of the team's work is via written reports, audio and video recordings, conference calls, and webcasts. The team regularly contributes to Manulife Investment Management publications. Team members often speak at industry conferences, are frequent guests on BNN and are regularly quoted in the press.

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Gennaro Natale, B.A. Econ, Pl.Fin.

Planificateur financier / Financial Planner

Conseiller en sécurité financière / Financial Security Advisor

Conseiller en assurance et rentes collectives / Group Insurance and Group Annuity Plans Advisor

3055, boul. Saint-Martin Ouest, Bureau 620, Laval (QC) H7T 0J3

2361, boul. Lévesque Est, Laval (QC) H7E 2N3

T 514 996-7227 | F 450 973-1716 | gennaro@groupenatale.com



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