Bull & Bear Markets

S&P 500 Composite Index to October 2008

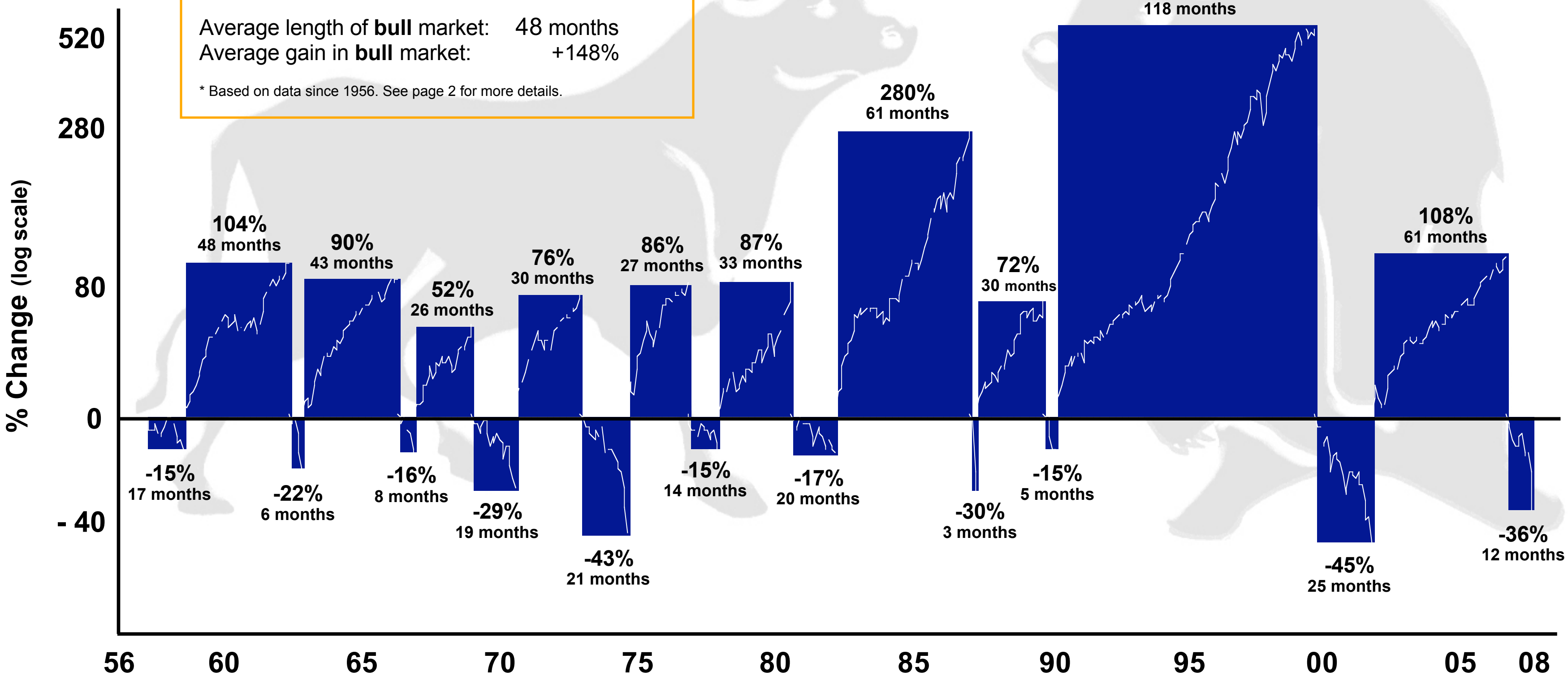
S&P 500

Bull & Bear Facts*

Average length of **bear** market: 14 months
Average loss in **bear** market: -26%

Average length of **bull** market: 48 months
Average gain in **bull** market: +148%

* Based on data since 1956. See page 2 for more details.



Source: Mackenzie Financial (Datastream: month-end data points as at October 31, 2008; total return, local currency)

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S&P 500

S&P 500 Composite Index to October 2008

THE RISKS AND REWARDS OF INVESTING

- This chart represents the bull and bear markets in the S&P 500 Composite Total Return since 1956. All bars above the line are bull markets; all bars below are bear markets.
- For the purposes of this illustration, a bull (bear) market is defined as a positive (negative) move greater than 15% that lasts at least 3 months.
- The first bar represents a bear market which, at its lowest point, dropped to -15% and lasted 17 months. This was followed by a bull market rising 104% and lasting 48 months.
- Since 1956 there have been 10 bull markets and 11 bear markets. As can be seen from the chart, bull markets typically last longer and provide a more significant percentage change.
- Bear markets during this period have averaged -26% and lasted only 14 months. Bull markets during this period have averaged 148% and lasted 48 months. This is the reward for accepting the risk of bear markets.

INVESTOR BEHAVIOUR

- According to the chart, markets spend more time in positive territory (bull) than negative (bear).
- Bull markets are, on average, longer and more intense, providing a more significant percentage change.
- On average bear markets are more brief, and yet engender fear. It is during these periods that there are significant investment ‘bargains’ to be found.
- Investor discipline during bear markets is critical.

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