

Missing the best days in the market

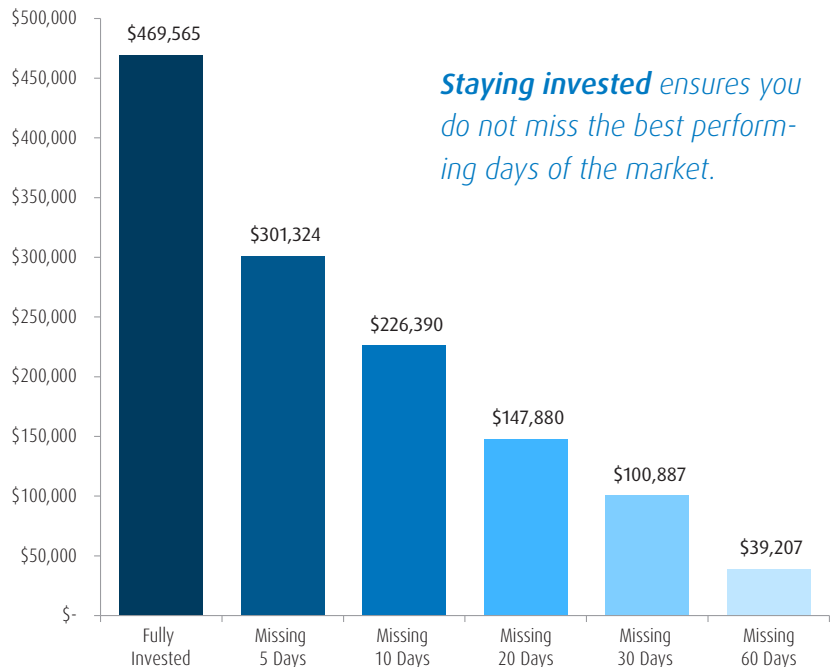
Remember it's all about **time in** the market, not **timing** the market.

When markets become volatile, most investors are prone to overreact and sell at the wrong time, accepting substantial losses. Over the long term, markets are resilient and investors who stay invested will recover their losses and grow their wealth.

Don't let short term noise disrupt your long term goals. Staying invested can reap rewards. Professional advice should be obtained with respect to any circumstance.

Value of \$100,000 after 23 years invested from 2000-2023

Just missing a few of the best days¹ in the market can have a meaningful impact on your portfolio.



- **Staying invested**, your portfolio **returned 369.6%**, and became **\$469,565**.
- Missing the **5 best days**, your portfolio **returned 201.3%** and became **\$301,324**.
- Missing the **10 best days**, your portfolio **returned 126.4%** and became **\$226,390**.
- Missing the **20 best days**, your portfolio **returned 47.9%** and became **\$147,880**.
- Missing the **30 best days**, your portfolio **returned 0.9%** and became **\$100,887**.
- Missing the **60 best days**, your portfolio **lost 60.8%** and became **\$39,207**.

Source: Bloomberg, 2023.

Illustration is based on the S&P/TSX Composite TR Index from Jan 1, 2000 to December 31, 2023. Does not take into account income taxes payable by the investor that would have reduced returns. Other fees and expenses are also not considered. Examples provided here are for illustrative purposes only, should not be construed as investment advice, and are not a forecast of future returns. Particular investments or trading strategies should be evaluated relative to each individual.

Index returns do not reflect transactions costs or the deduction of other fees and expenses and it is not possible to invest directly in an Index. Past performance is not indicative of future results.

¹ A "best day" is a day during the specific range where the index had a historically best return.

Confidence to Stay Invested

Remember, it's not about *timing the market, but time in the market...*

Investing requires patience and a long time horizon. What happens day to day in the market can often serve as a distraction from meeting your goals. Investing in equity and balanced portfolio solutions can help an investor to reach their long term goals.

Don't overreact to headlines as markets will continue to find new highs over time and avoid focusing on short term noise.

Year	S&P500	Headline	Year	S&P500	Headline
1950	17.05	Korean War	2000	1,394.46	Y2K aftermath Tech bubble
1952	24.14	President Truman seizes steel mills	2001	1,366.01	Recession 9/11
1954	26.08	Army – McCarthy communist hearings	2002	1,130.20	Corporate Accounting scandals
1956	43.82	Suez Canel crisis	2003	855.70	President Bush declares war on Iraq
1958	41.70	Eisenhower Recession	2004	1,131.13	U.S. has massive trade & budget deficit
1960	55.61	U.S.S.R. shoots down U.S. spy plane	2005	1,181.27	Record oil & gas prices
1962	68.84	Flash Crash of 1962 Cuban Missile Crisis	2006	1,280.08	Housing bubble bursts
1964	77.04	N. Vietnam Gulf of Tonkin Incident	2007	1,438.24	Subprime loan crisis
1966	92.88	Vietnam War escalates	2008	1,378.55	Banking and Credit crisis
1968	92.24	USS Pueblo seized	2009	825.88	Jobs Recession Credit Crunch
1970	85.02	Conflict spreads to Cambodia	2010	1,073.87	Sovereign Debt crisis
1972	103.94	Largest trade deficit in U.S. history	2011	1,286.12	Eurozone crisis
1974	96.57	Steepest market drop in 40 years	2012	1,312.41	U.S. Fiscal cliff
1976	100.86	Economy recovers from '73-'74 crash	2013	1,498.11	Federal Reserve begins to taper
1978	89.25	Interest rates rising	2014	1,782.59	Ebola outbreak
1980	114.16	Yields at all time highs (10Y = 15%+)	2015	2,130.82	Commodity selloff
1982	120.4	Worst recession in 40 years Debt crisis	2016	2,190.15	Brexit
1984	163.41	Record U.S. Federal deficit	2017	2,673.61	Oil price decline
1986	211.78	Markets hit highs U.K. big bang shockwave	2018	2,506.85	Equity Markets selloff
1988	257.07	Fears of recession after Black Monday	2019	3,230.78	U.S. - China Trade War
1990	329.08	Gulf War Worst market decline in 16 yrs.	2020	3,269.96	COVID-19 Pandemic
1992	408.78	Elections Flat markets	2021	4,766.18	COVID-19 Endemic Supply Chain Challenges
1994	481.61	Sovereign debt selloff Rising rates	2022	3,585.62	Russia-Ukraine War Record Inflation
1996	636.02	"Irrational Exuberance" Alan Greenspan	2023	4,769.83	Magnificent Seven dominates stock markets
1998	980.28	Asia/Russia crisis LTCM crashes			

Source: BMO Asset Management Inc, as of December 31, 2023. *End of year closing values of the S&P 500 Price Index are used to show the longer dated history.



Commissions, trailing commissions (if applicable), management fees and expenses all may be associated with mutual fund investments. Please read the fund facts or prospectus of the relevant mutual fund before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Distributions are not guaranteed and are subject to change and/or elimination.

For a summary of the risks of an investment in BMO Mutual Funds, please see the specific risks set out in the prospectus.

BMO Mutual Funds are managed by BMO Investments Inc., which is an investment fund manager and a separate legal entity from Bank of Montreal. This communication is for information purposes. The information contained herein is not, and should not be construed as, investment, tax or legal advice to any party. Particular investments and/or trading strategies should be evaluated relative to the individual's investment objectives and professional advice should be obtained with respect to any circumstance.

®/™ Registered trademarks/trademark of Bank of Montreal, used under licence.

Published March 2024

ADVISOR USE ONLY