

# Missing the best days in the market

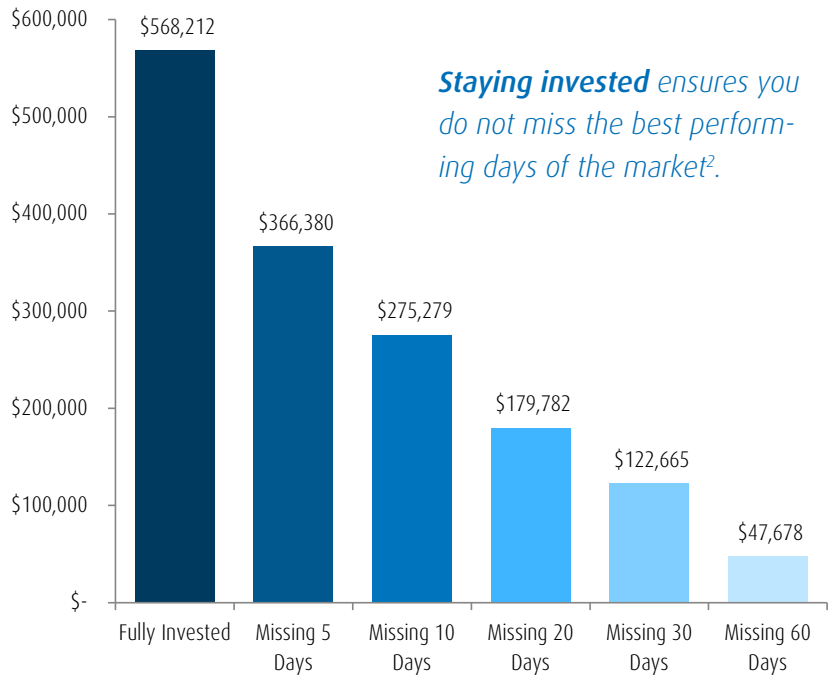
Remember it's all about **time in** the market, not **timing** the market.

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 24 years, invested from 2000-2024

Just missing a few of the best days<sup>1</sup> in the market can have a meaningful impact on your portfolio.



- **Staying invested**, your portfolio **returned 468.2%**, and became **\$568,212**.
- Missing the **5 best days**, your portfolio **returned 266.4%** and became **\$366,380**.
- Missing the **10 best days**, your portfolio **returned 175.3%** and became **\$275,279**.
- Missing the **20 best days**, your portfolio **returned 79.8%** and became **\$179,782**.
- Missing the **30 best days**, your portfolio **returned 22.7%** and became **\$122,665**.
- Missing the **60 best days**, your portfolio **lost 52.3%** and became **\$47,678**.

Source: Bloomberg, 2024.

Illustration is based on the S&P/TSX Composite TR Index from Jan 1, 2000 to December 31, 2024. 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.

# 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	2024	5,881.63	Israel/Hamas War

Source: BMO Asset Management Inc, as of December 31, 2024. End of year closing values of the S&P 500 Price Index are used to show the longer dated history.



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

<sup>2</sup> The ability to withstand losses or to adhere to a particular trading program in spite of trading losses are relative to an individual's investment objectives and financial circumstances. Particular investments and/or trading strategies should be evaluated by a professional.

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