Some of the top reasons not to invest over the last 3 decades

1. Black Monday Market Crash
   - 1987
   - Mass market panic causes a massive stock selloff.
   - -26%

2. Persian Gulf War
   - 1990
   - Iraq begins the invasion of Kuwait and Coalition forces respond.
   - -22%

3. Asian / Russian Crisis
   - 1997–1998
   - The financial collapse of the Thai Baht that spread throughout Asia. The devaluation of the Russian Ruble and the widespread default on Russian debt.
   - -28%

4. Technology Bubble / Accounting Deficiencies
   - 2000–2003
   - The internet company boom comes to an abrupt end. Numerous high profile corporate accounting scandals are exposed.
   - -45%

5. Sub-Prime Mortgage Crisis / Credit Crunch
   - 2007–2008
   - Sharp decline of securities backed by sub-prime mortgages. Bank solvency is questioned, credit availability tightens and investor sentiment drops.
   - -44%

6. European Crisis
   - 2011–2012
   - On going issue of European governments unable to repay or refinance debt.
   - -19%

7. Chinese Market Crisis
   - 2015
   - MSCI China Index fell 35.3% from April 28, 2015 to September 4, 2015, as a result of poor economic growth in China, combined with the devaluation of the yuan and subsequent weakening of the currency.
   - -11%

8. Late Cycle Market Volatility
   - 2018
   - From October 2018 to late December 2018, financial markets sagged under the weight of rising interest rates, amplified global trade concerns and general valuation exhaustion stemming from overvalued tech names.
   - -11%

9. COVID-19 Pandemic
   - 2020
   - From February 20, 2020 to March 23, 2020, the S&P/TSX Composite Index dropped 37.4% amid concerns of the global COVID-19 pandemic.
   - -37%

Source: BMO Investments Inc.

Why would you invest?
...You invest to grow your money

“The stock market has experienced ups and downs over the years, but the general trend is up. If you stayed invested during volatile periods, you would have come out ahead.”

Growth of $10,000 invested since 1987

<table>
<thead>
<tr>
<th>Beginning Investment Value</th>
<th>Ending Investment Value</th>
<th>Average Annual Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balanced</td>
<td>$126,490</td>
<td>7.79%</td>
</tr>
<tr>
<td>Canadian Equities</td>
<td>$122,911</td>
<td>7.70%</td>
</tr>
<tr>
<td>5-Year GIC</td>
<td>$42,898</td>
<td>4.40%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cost of Living Increase</th>
<th>Total</th>
<th>Annual Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation</td>
<td>$20,526</td>
<td>2.15%</td>
</tr>
</tbody>
</table>

Source: Morningstar Direct, as at October 31, 2020. For illustrative purposes only.

BMO Mutual Funds

The performance of the S&P / TSX Composite Index does not represent the performance of any BMO Mutual Fund and is for illustration purposes only. BMO Mutual Funds refers to certain mutual funds and/or series of mutual funds offered by BMO Investments Inc., a financial services firm and separate legal entity from Bank of Montreal. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund facts or prospectus of the mutual fund before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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