2023 the Big Picture® Canada U.S.A. W. Bush H.W. Bush **Exchange rate: USD per CAD** CAD peaks at \$1.0 Prime Rate: 22.75% **Prime Rate** U.S. Stocks **Bull and Bear Markets in Canadian Stocks** \$15 \$10,000,000 Cdn. Stocks down 43%, A **Bull Market** starts at the lowest point reached after the market has fallen by 20% or more, and ends when it reaches its next high. Dot Com collapse Balanced Portfolio down 16% A **Bear Market** is a period over which the market falls by 20% or more from its previous high to its next low. A **Recovery Period** starts at the lowest point reached after the market has fallen by 20% or more, and ends when it attains its previous high. \$3 - 27 months 89% total return Growth Portfolio \$3,483,290 9.7% WHO declares COVID-19 a global health crisis GST introduced 33% annualized return Canadian Stocks **\$2,977,409** 9.5% Cold War ends 13 m -25% 11 m -35% 4 m 10 m -25% -20% 9 m -43% 39 months 25 m -43% -42% total return TSX up 282% Balanced Portfolio \$1,059,634 8.2% \$0.5 Canada's first ETF launched 2020s 1970s 2000s 2010s 1990s \$1,000,000 International Stocks TIME: "Buy Stocks? No Way!" **\$904,407** 8.0% **Time and Risk** An analysis of rolling periods, 1935 – 2022 TFSA introduced Black Monday Dow 36,338 5-year rolling periods 1-year rolling periods U.S. Stocks Cdn. Stocks down 39%, Balanced Portfolio down 4% Income Portfolio \$307,056 6.7% Cdn. Stocks Balanced P. Bonds T-Bills Business Week: "The Death of Equities" annual returns \$100,000 to-date: 15 U.S. downgraded to AA+ median Life expectancy in Canada M: 80 yrs, F: 84 yrs percentage of periods with positive returns U.S. subprime crisis Cdn. Stocks down 42%, Balanced Portfolio down 6% \$10,000 Baby boom begins World War II 17.6% U.S. Stocks Life expectancy in Canada Cdn. Stocks 17.7% M: 63 yrs, F: 66 yrs Int'l Stocks 20.7% **Growth of** 7.4% T-Bills 4.2% 4.0% 3.3% First index fund launched 13.7% 8.8% 6.8% Vietnam War **★** 21.0% **★** 12.7% **№** 10.7% -12.3% -11.0% -13.1% **№** 10.0% **⊕** 6.4% **⊡** 4.5% **10.6% 9.7% 6.4% 13.3% ⊕** 18.9% **□** 2.1% **10.4% 11.0% 7.3% 12.2% 3.27% 11.9% 5.6% ⊕** -1.6% **□** 3.1% **-5.8% -7.8%** 2.4% **4.1% 3.8% 4.5% 1** 16.2% **1** 4.9% **1** 2.4% **1** 7.9% **1** 4.8% **1** 2.6% **1** 9.6% **1** 7.7% **5** 7.6% **18.5% 14.5% 5 6.2% 14.0% 11.4% 2.1% 1** 0.3% **1** 5.4% **5** 2.1% -9.4% -11.6% 6.2% Price per barrel of oil in USD 35 | 36 | 37 | 38 | 39 | **40** | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | **50** | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | **60** | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | **70** | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | **80** | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **90** | **9**

This chart shows the inferred growth of one thousand dollars investment of all income and no transaction costs or taxes. The portfolios shown are neither real, nor recommended, and were rebalanced each January. Risk is measured by the standard deviation (volatility) of annual returns. All returns are compound annual returns unless otherwise indicated.

Rolling periods are monthly in frequency. All values are expressed in Canadian dollar terms, except oil and gold prices, which are in U.S. dollars. Sources: U.S. Stocks: S&P/TSX Composite Total Return Index, The Bills: 3-Month Treasury Bill Total Return Index, Inflation: Consumer Price Index, exchange rates—Globs Financial Data, Inc. Recessions—Statistics Canada. Prime Interest Rate—Bank of Canadian market. Gold prices—Inflation Data.com. The reproduction of part or all of this publication without prior written consent from Investments Illustrated, Inc. is prohibited. The Big Picture, and the Investments Illustrated, Inc. All Reserved.

