



January 7, 2019 Communique Market Timing

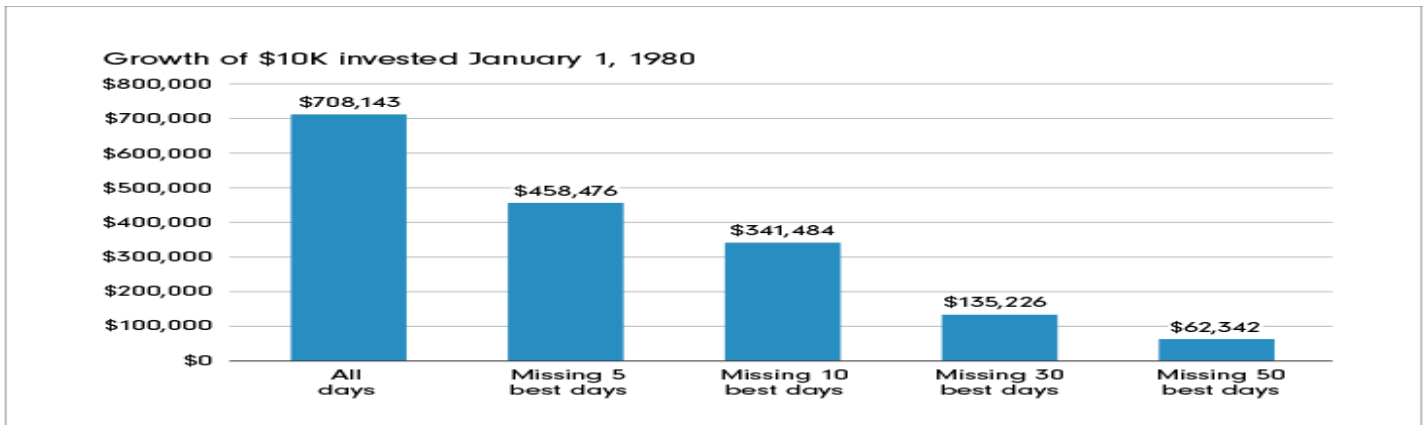
Attempting to time the market can be detrimental to your financial health over the long run.

The topic of market timing has received a lot of commentary and debate over the years. In our forty-years plus experience we have yet to find anyone who can time markets with precision over the long-term, medium-term or even in the short-term.

Attempting to move in and out of the market can be a costly exercise. Studies from the independent research firm Morningstar highlight the phenomenon that investors who buy and sell in and out of investment funds perform worse than those who simply bought and held those same funds. It would be nice to avoid all the down days and participate in all the up days. The hard truth is that it is impossible to consistently predict when those good and bad days will happen. If you miss even a few of the best days, it can have a long lasting devaluing effect on your portfolio performance.

Below please find a chart produced by Fidelity Distributions Corporation examining the impact of missing the best 5 days, 10 days, 30 days and 50 days on the growth of a \$10,000 investment on the S&P500 for the period January 1, 1980 to June 29, 2018. The impact and potential effects are staggering.

It is not timing the market, it is time in the market.



Past performance is no guarantee of future results. The hypothetical example assumes an investment that tracks the returns of the S&P 500 Index and includes dividend reinvestment but does not reflect the impact of taxes, which would lower these figures. There is volatility in the market, and a sale at any point in time could result in a gain or loss. Your own investing experience will differ, including the possibility of loss. You cannot invest directly in an index. The S&P 500 Index, a market capitalization-weighted index of common stocks, is a registered trademark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation. Source: FMRCo, Asset Allocation Research Team, as of June 29, 2018.

On behalf of CIBC Wood Gundy Baker Financial Group, we wish you the best of health and prosperity for the new year.

We continue to work hard every day to be worthy of your trust.

Most sincerely,

CIBC Wood Gundy
Baker Financial Group

Bryan Baker

Jonathan Baker

Toronto Bay Adelaide Branch | 333 Bay St, 28th Floor, West Tower, Toronto, ON M5H 2R2 | 416-594-7954 | www.bakerfinancialgroup.ca

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