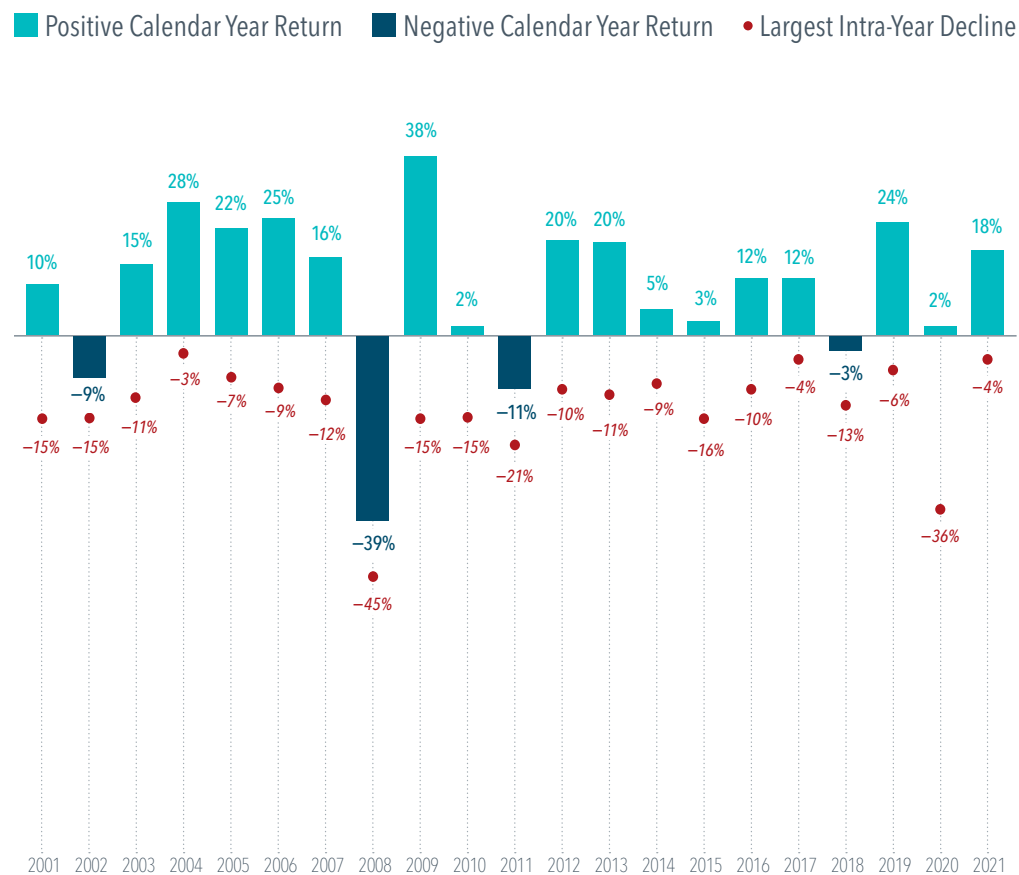


Do Downturns Lead to Down Years?

AUSTRALIAN MARKET INTRA-YEAR DECLINES VS. CALENDAR YEAR RETURNS,
31 January 2000–31 December 2021



Stock market slides over a few days or months may lead investors to anticipate a down year. But a broad Australian market index had positive returns in 17 of the past 21 calendar years, despite some notable dips in many of those years.

- Intra-year declines for the index ranged from 3% to 45%.
- Many years with large intra-year declines saw positive annual returns. In 17 of the last 21 years, Australian stocks ended up with gains for the year.
- Even in 2020, when there were sharp market declines associated with the coronavirus pandemic, Australian stocks ended the year with gains of 2%.

Volatility is a normal part of investing. Tumbles may be scary, but they shouldn't be surprising. A long-term focus can help investors keep perspective.

Past performance is no guarantee of future results. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

In Australian dollars.

Australian Market is measured by the S&P/ASX 300 Index (total return). Largest Intra-Year Gain refers to the largest market increase from trough to peak during the year. Largest Intra-Year Decline refers to the largest market decrease from peak to trough during the year. S&P/ASX data reproduced with the permission of S&P Index Services Australia.

Investing risks include loss of principal and fluctuating value. There is no guarantee an investment strategy will be successful.

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