



## **TheAnswers.ca Inc. Model Portfolio Performance Update (Q3 2018)**

TheAnswers.ca announces the total return for the model portfolio from inception October 2016 to September 30, 2018 is 19.51%.

The corresponding total return for the Toronto Stock Exchange (TSX), as represented by the ETF XIC, is 14.00%.

The trailing 12-month total return for TheAnswers.ca portfolio is 9.49%, which includes dividends, distributions and any unrealized gains and losses.

Past returns are not indicative of future returns.

### **Heads up! Stock markets are volatile.**

“Volatility in the up direction is not a problem – it’s the downward volatility that offers discourse.”

– Correm T. Sol

Since 1900, a period of almost 120 years, there have been 32 stock market bear attacks, i.e. stock market declines of 20%-50% or more. Historically, bear markets occur about once every 3.5 years, and the last bear market in the USA was about 9 years ago.

“October: This is one of the peculiarly dangerous months to speculate in stocks. The others are July, January, September, April, November, May, March, June, December, August and February.”

– Mark Twain

### **That is not to say a bear market is imminent.**

“Stock market meltdowns are like natural disasters – they’re unpredictable and unavoidable.”

– Rob Carrick

But that at some point we should fully expect the stock market to drop at least 20% to 50%. The key is to make sure any money invested in the stock market can be left untouched for a minimum of 10 years, and preferably much longer. Not selling into a stock market downturn will ensure time for a portfolio to recover, and then go on to earn attractive long-term average equity returns.

“The investor’s chief problem and even his worst enemy is likely to be himself.”

– Warren Buffett

## **How does an investor survive a Stock Market Bear Attack?**

<https://theansweris.ca/Q22.php>

Be patient long-term investors.

Dave Jenkins

TheAnswerIs.ca Inc.

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