



Seizing opportunities in adversity

Remaining focused in today's market environment

Many market historians are comparing the current market downturn to the recession of 1973-74. While no one knows how long the current market downturn will last, as markets remain volatile, a look at history may offer insights into the benefits of long-term investing.

Suppose you had placed a hypothetical \$10,000 investment in the Standard & Poor's (S&P) 500 Index (C\$) at the top of the stock market on January 1, 1973. By October 3, 1974, the market bottom, your investment would have dropped in value to \$5,555 – a decrease of approximately 44 per cent.

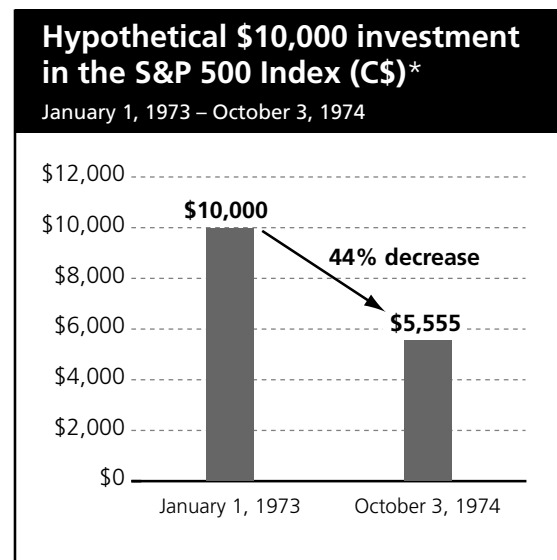
How would you have reacted?

Based on the above scenario, what would you have done with your investment?

Select from the options below and see the reverse for the various results.

1. Reinvest another \$10,000.
2. Increase your investment by \$1,500.
3. Dollar-cost average \$1,000 a year for the next 10 years.
4. Hold on to your shares (remain invested).
5. Sell your shares and wait one year before reinvesting.
6. Sell your shares and put the proceeds into a Guaranteed Investment Certificate (GIC).

Flip the page to see which option outperformed ...



Source: Standard & Poor's Micropal[®]/Micropal Inc. (2002)
1-800-596-5323 <http://www.micropal.com>

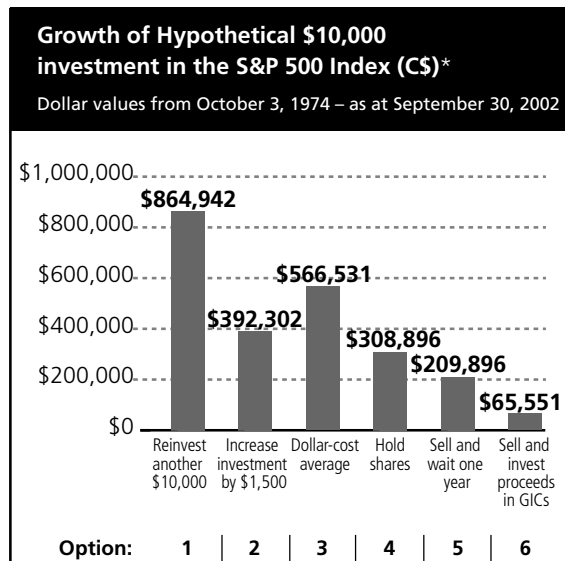
* Note: An investment cannot be made directly into an index

Standard and Poor's 500 Index – A market-capitalization weighted-index of the largest and most widely held stocks in the U.S.



Committed investors should stay the course

When the market plunged in the '70s, savvy investors knew that the down times wouldn't last forever. They looked beyond the loss to see an opportunity for long-term potential gains. While some investors jump at the first signs of trouble, others know they have time on their side. If you're concerned about market volatility, seek the combined expertise of your financial advisor and the investment management of AIM Trimark.



Following the 1973-74 downturn, the investments of dedicated investors increased greater than those who pulled their funds from the market.



It took investors who remained committed to their long-term goals less time to recover their investment than those who fled the stock market.

Past performance cannot guarantee comparable future results. Due to recent significant market volatility, results of an investment made today may differ substantially from the historical performance show. This article is not intended to provide legal, accounting, tax or specific investment advice. If such advice is required, the services of a competent professional should be sought before any action is taken. The information presented was obtained from sources believed to be reliable; however, AIM Funds Management Inc. cannot represent that it is accurate or complete.

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5-Year GIC: Hysales-5-year average GIC Index is a calculated index, derived by using the month-end 5-year Trust Company Guaranteed Investment Certificate Rate as provided by the Bank of Canada. The index assumes monthly re-investments of interest and capital and should not be constructed as the actual return of an investment in a 5-year GIC.

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For more information, please contact your financial advisor or call AIM at **1.800.874.6275** or visit AIM's website at www.aimfunds.ca

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