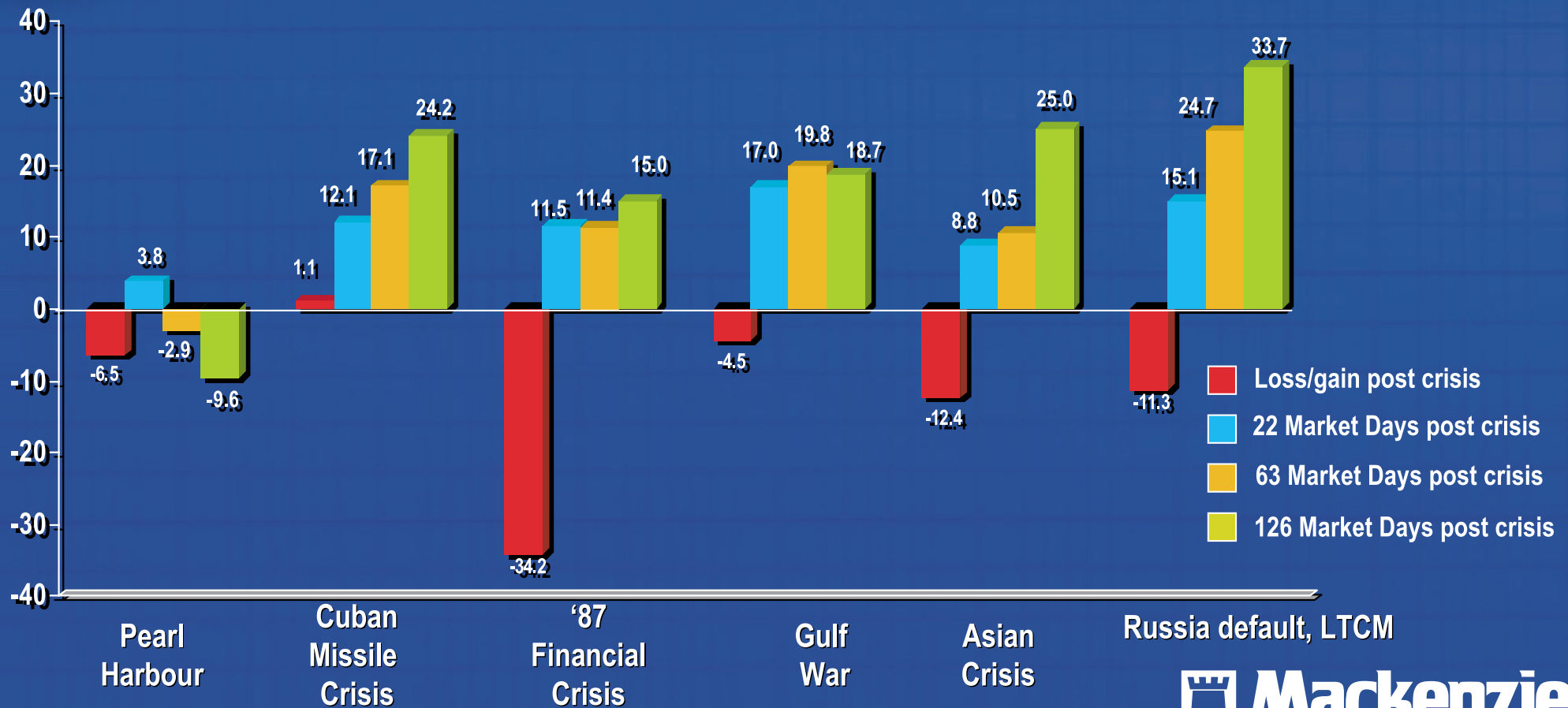


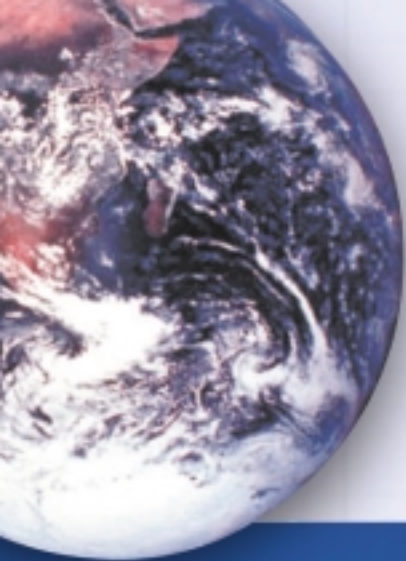


DJIA RECOVERS AFTER CRISIS EVENTS

In the 29 crisis events since WWII, the market was lower only once 1-year after a crisis.



Source: Mackenzie Financial Corporation, Ibbotson



DJIA RECOVERS AFTER CRISIS EVENTS

IMPACT OF SEPT 11 ATTACKS

- The world was shocked by the tragic events that unfolded in New York and Washington on September 11th.
- It is important to bear in mind that historically, North American markets have been able to absorb and overcome crises.
- In fact, many analysts believe that despite the uncertainty, now is the time to buy.

WHAT WE DO KNOW

- Prior to September 11, 2001, the North American economy was already weak. Second quarter GDP was +0.3% in the US and year-over-year GDP was up 0.4% to July in Canada. US initial jobless claims were at a 9-year high during the first week of Sept.
- The global economy was weakening as evidenced by the drop in raw industrial commodity prices.
- In fact, the decline was greater than in the 1990/91 recession.
- As a result of the attacks, governments have injected more monetary and fiscal stimulus into the economy than they otherwise would have.
- The US has implemented the most aggressive easing campaign in its history and just as zero percent financing sells more cars, lower interest rates will eventually result in increased consumer spending.

- After the crisis, the Fed cut rates by 100 basis points. The added stimulus through lower interest rates will undoubtedly help the economy. Crisis events tend to have a short-term impact on the economy and markets.
- ***In 29 crisis events since WWII, the market was lower only once 1-year after a crisis.***
- ***On average, the Dow Jones Industrial Average (DJIA) drops to 5% 3 weeks after a crisis event and rebounds to +5% 6 months after.***