

153-Year Returns

Growth in stocks vs. bonds 1871 to 2023

	Average Nominal Returns	Average Real* Returns	Real growth from \$100,000**				
			1 Year	5 Years	10 Years	15 Years	20 Years
Stocks	9.5%	7.4%	\$7,416	\$47,101	\$112,165	\$187,523	\$308,811
Bonds	4.5%	2.4%	\$2,400	\$10,023	\$19,953	\$30,459	\$49,129
Inflation	2.1%						
Difference in growth (real \$)			+\$5,016	+\$37,078	+\$92,212	+\$157,064	+\$259,681
Difference in growth	2.1x	3.1x	3.1x	4.7x	5.6x	6.2x	6.3x

Source: Siegel, Shiller, CRSP, Cdn Institute of Actuaries, TSX, Bank of Canada.

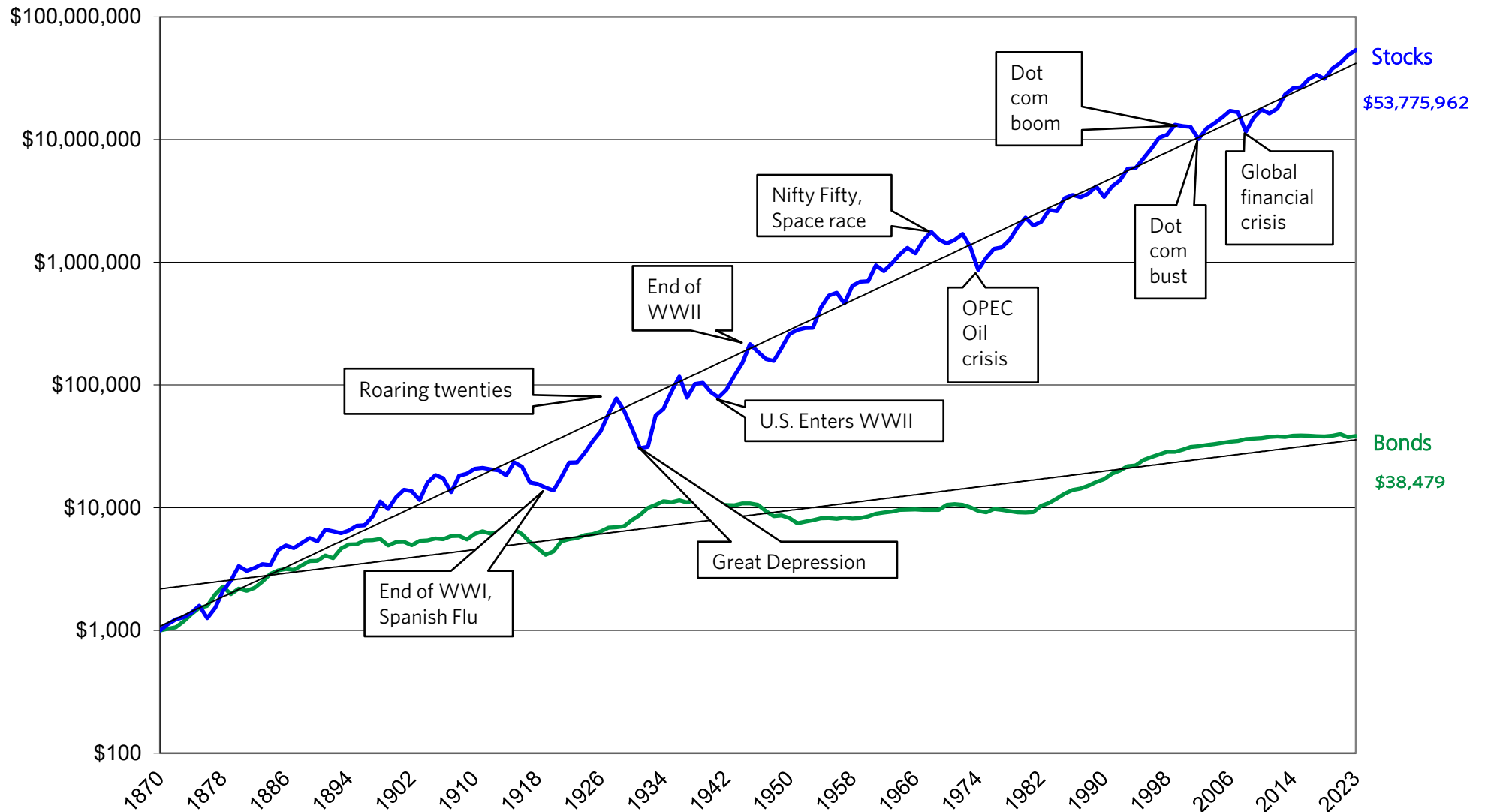
* "Real" returns are nominal returns after subtracting inflation

** "Real growth from \$100,000" for 5 to 20 years is the median real growth, showing the effect of compounding.

153-Year Returns

Growth in stocks vs. bonds 1871 to 2023

Real Growth from \$1,000 - 1871 to 2023

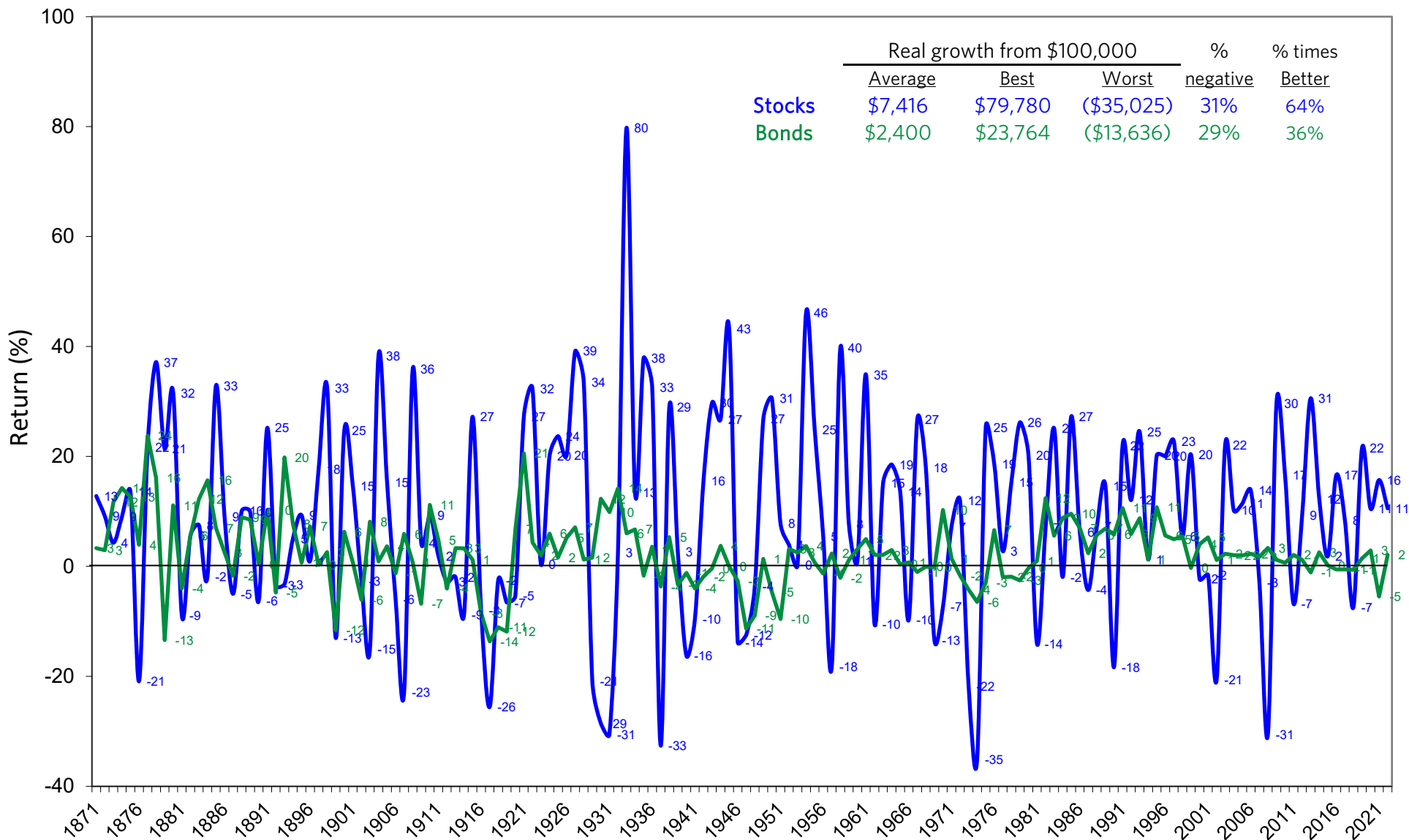


Source: Siegel, Shiller, CRSP, Cdn Institute of Actuaries, TSX, Bank of Canada.

153-Year Returns

Growth in stocks vs. bonds 1871 to 2023

Real Returns for 1 Year

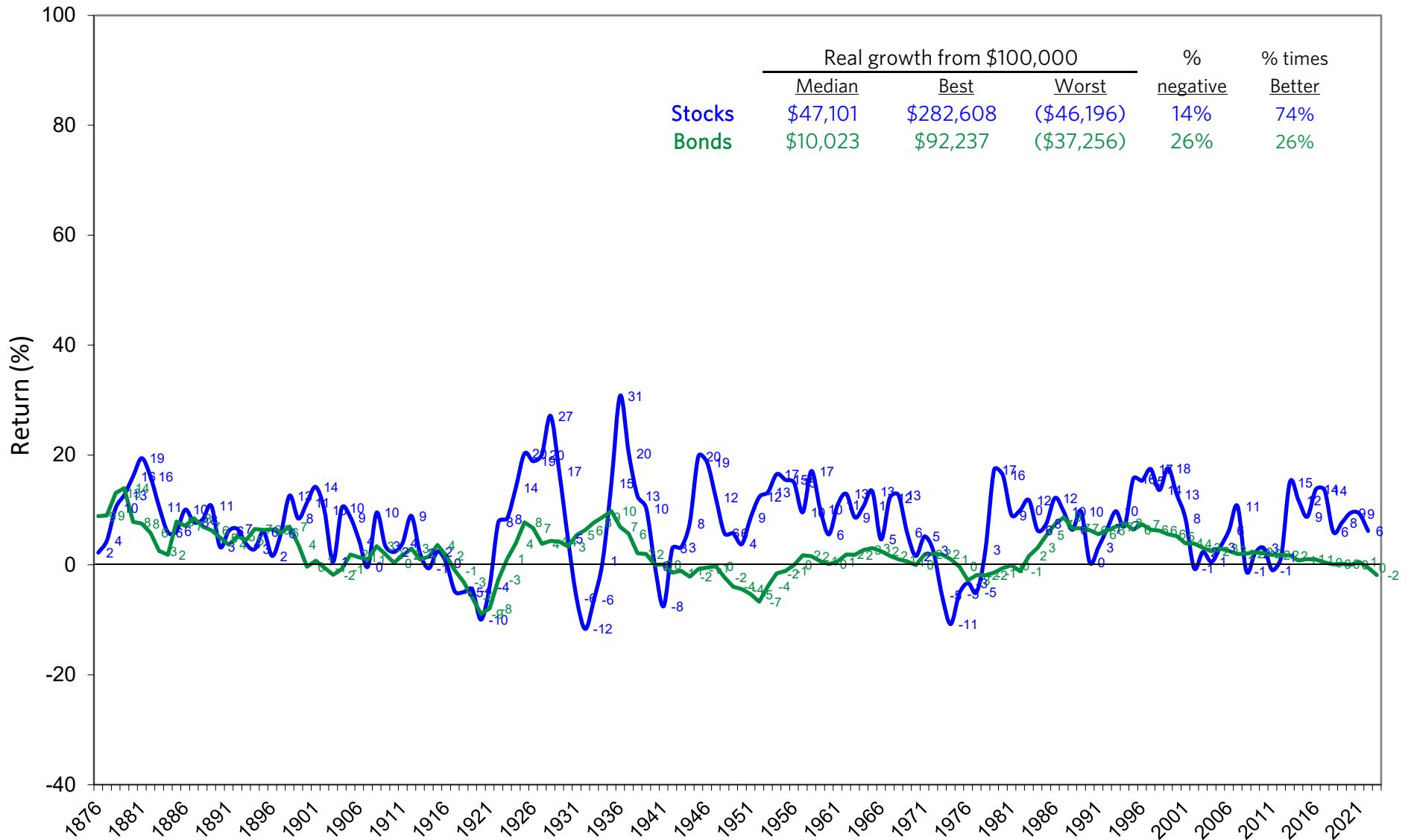


Source: Siegel, Shiller, CRSP, Cdn Institute of Actuaries, TSX, Bank of Canada.

153-Year Returns

Growth in stocks vs. bonds 1871 to 2023

Average Annual Real Returns for 5 Years

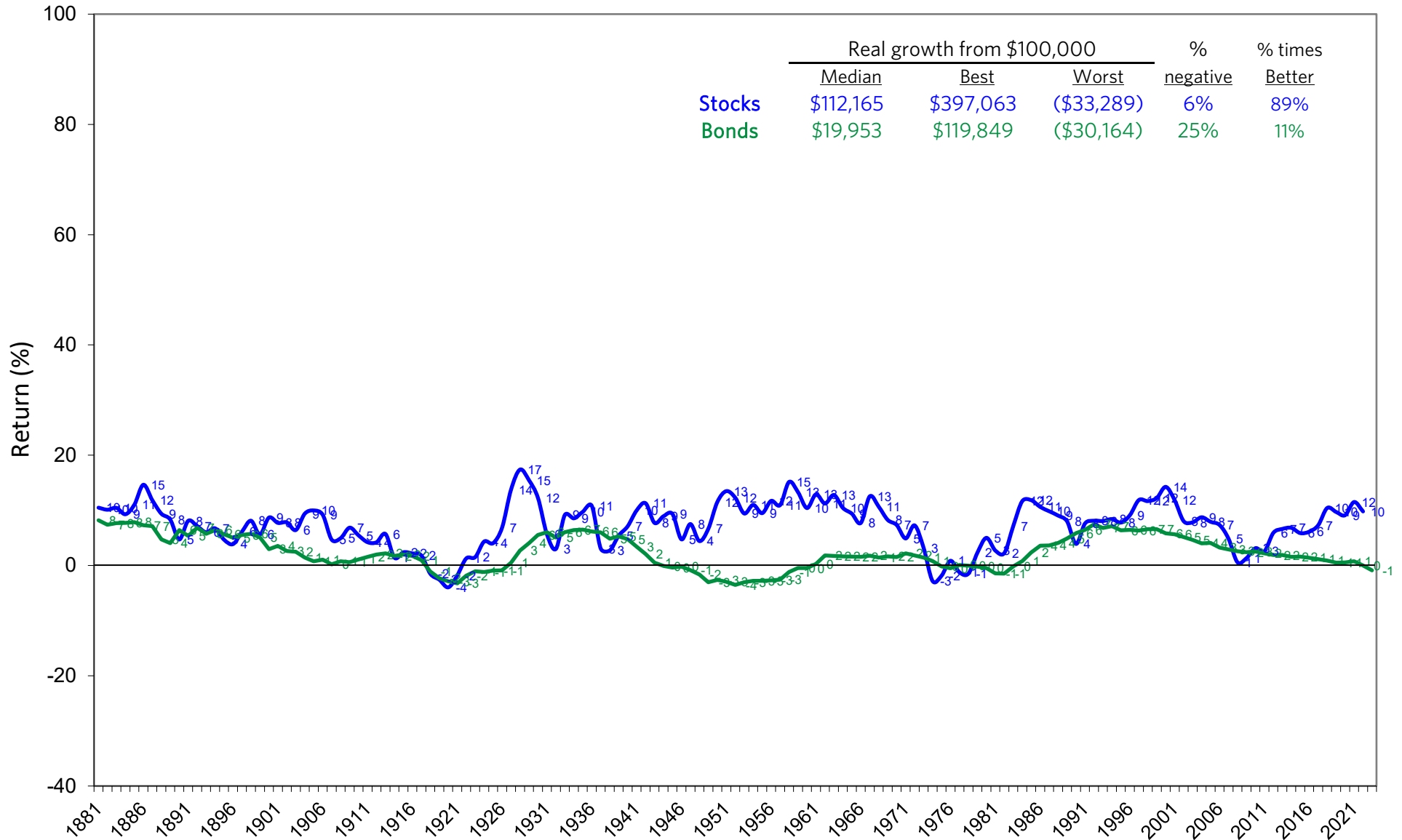


Source: Siegel, Shiller, CRSP, Cdn Institute of Actuaries, TSX, Bank of Canada.

153-Year Returns

Growth in stocks vs. bonds 1871 to 2023

Average Annual Real Returns for 10 Years

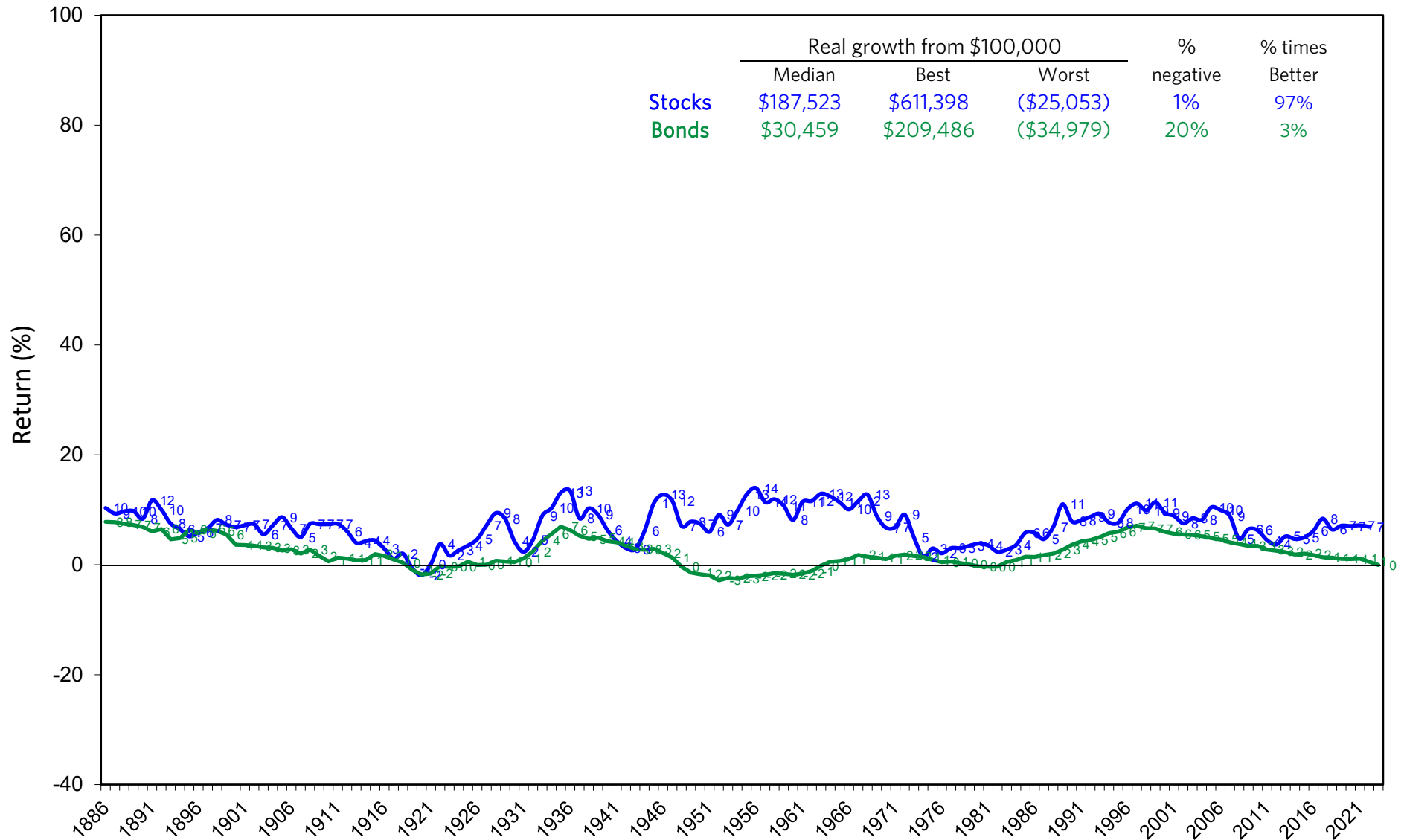


Source: Siegel, Shiller, CRSP, Cdn Institute of Actuaries, TSX, Bank of Canada.

153-Year Returns

Growth in stocks vs. bonds 1871 to 2023

Average Annual Real Returns for 15 Years

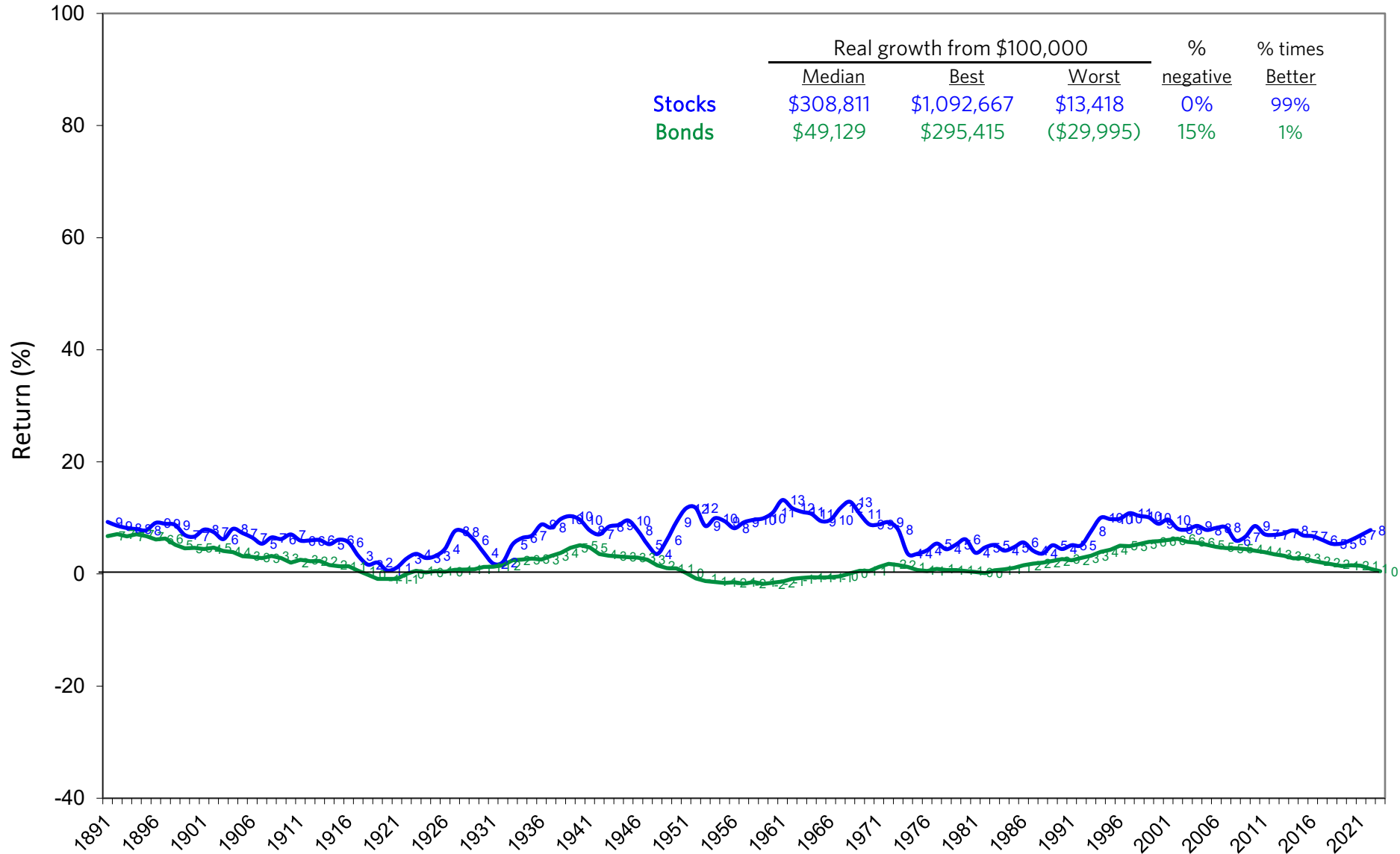


Source: Siegel, Shiller, CRSP, Cdn Institute of Actuaries, TSX, Bank of Canada.

153-Year Returns

Growth in stocks vs. bonds 1871 to 2023

Average Annual Real Returns for 20 Years



Source: Siegel, Shiller, CRSP, Cdn Institute of Actuaries, TSX, Bank of Canada.

153-Year Returns

Growth in stocks vs. bonds 1871 to 2023

RETURNS

Real growth of \$100,000

Highest returns	1 Year	5 Years	10 Years	15 Years	20 Years
Stocks	\$79,780	\$282,608	\$397,063	\$611,398	\$1,092,667
Bonds	\$23,764	\$92,237	\$119,849	\$209,486	\$295,415
Extra returns for stocks	+\$56,016	+\$190,371	+\$277,213	+\$401,913	+\$797,252
Median returns					
Stocks	\$7,416	\$47,101	\$112,165	\$187,523	\$308,811
Bonds	\$2,400	\$10,023	\$19,953	\$30,459	\$49,129
Extra returns for stocks	+\$5,016	+\$37,078	+\$92,212	+\$157,064	+\$259,681

RISKS

Worst returns

Stocks	-\$35,025	-\$46,196	-\$33,289	-\$25,053	\$13,418
Bonds	-\$13,636	-\$37,256	-\$30,164	-\$34,979	-\$29,995
Extra risks for stocks	\$21,388	\$8,940	\$3,125	n/a	n/a
Extra risks for bonds	n/a	n/a	n/a	\$9,926	\$43,413

Chance of negative return

Stocks	31%	14%	6%	1%	0%
Bonds	29%	26%	25%	20%	15%
Extra risks for bonds	-2%	12%	20%	19%	15%

Chance of worse returns

Stocks	36%	26%	11%	3%	1%
Bonds	64%	74%	89%	97%	99%
Extra risks for bonds	28%	47%	78%	94%	98%

Source: Siegel, Shiller, CRSP, Cdn Institute of Actuaries, TSX, Bank of Canada.

Returns from stocks: Trend Analysis

	Real Returns (after inflation)				
	1 year	5 years	10 years	15 years	20 years
153 year median	7.4%	8.0%	7.8%	7.3%	7.3%
Most Recent (end of 2023)	10.6%	6.2%	9.8%	6.9%	7.8%
Difference vs 153 year average	+3.1%	-1.8%	+2.0%	-0.4%	+0.5%
Trend for next period*	9.0%	8.0%	6.5%	7.2%	6.8%
Difference vs 153 year average	+1.6%	+0.0%	-1.4%	-0.1%	-0.5%

* Trend for next period: projected future returns based on a regression of future returns vs past returns over the past 100+ years.

Additional Information

Sources of historical returns:

Stock returns: 1802-1923: U.S. stocks only. 1924 onward: 50% U.S. stocks and 50% Canadian stocks.

US stocks: 1802-1870: Jeremy Siegel. 1871-1926: S&P 500 Robert Shiller. 1927 onward: data is the equal weighted average of the top 8 deciles by market capitalization of stocks followed by the Center for Research in Security Prices (CRSP), sourced through Kenneth French from Princeton University. In 2023, this would include the approximately 1,845 U.S. stocks with market capitalization over \$742 million.

Cdn stocks: 1924-1949: Canadian Institute of Actuaries. 1950-1955: Montreal Exchange and Toronto Stock Exchange Market Review. 1956 onward: S&P/TSX Composite Index.

Bond returns: use a mix of 40% longer-term bonds and 60% T-bills.

Longer-term bonds: 1802-1870: U.S. bonds, Jeremy Siegel. 1871-1923: U.S. bonds, Robert Shiller. 1924-1980: Government of Canada bonds with 10yr + maturity until 1980, then FTSE TMX Universe.

T-Bills: 1802-1933: U.S. Government T-Bills, Jeremy Siegel. 1934-1949: Govt Canada T-Bills, Canadian Institute of Actuaries. 1950 onward: FTSE TMX 91 Day T-Bills.

Inflation: 1802-1870: U.S. CPI, Jeremy Siegel, 1871-1923: U.S. CPI, Robert Shiller. 1924 onward: Canadian Consumer Price Index.

All returns are shown in in Canadian dollars.

Stan Clark is a Senior Wealth Advisor with CIBC Wood Gundy in Vancouver, BC. The views of Stan Clark do not necessarily reflect those of CIBC World Markets Inc. This information, including any opinion, is based on various sources believed to be reliable, but its accuracy cannot be guaranteed and is subject to change. Clients are advised to seek advice regarding their particular circumstances from their personal tax and legal advisors. If you are currently a CIBC Wood Gundy client, please contact your Investment Advisor. "CIBC Private Wealth" consists of services provided by CIBC and certain of its subsidiaries, through CIBC Private Banking; CIBC Private Investment Counsel, a division of CIBC Asset Management Inc. ("CAM"); CIBC Trust Corporation; and CIBC Wood Gundy, a division of CIBC World Markets Inc. ("WMI"). CIBC Private Banking provides solutions from CIBC Investor Services Inc. ("ISI"), CAM and credit products. CIBC World Markets Inc. and ISI are both Members of the Canadian Investor Protection Fund and Investment Industry Regulatory Organization of Canada. CIBC Private Wealth services are available to qualified individuals. The CIBC logo and "CIBC Private Wealth" are trademarks of CIBC, used under license.

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