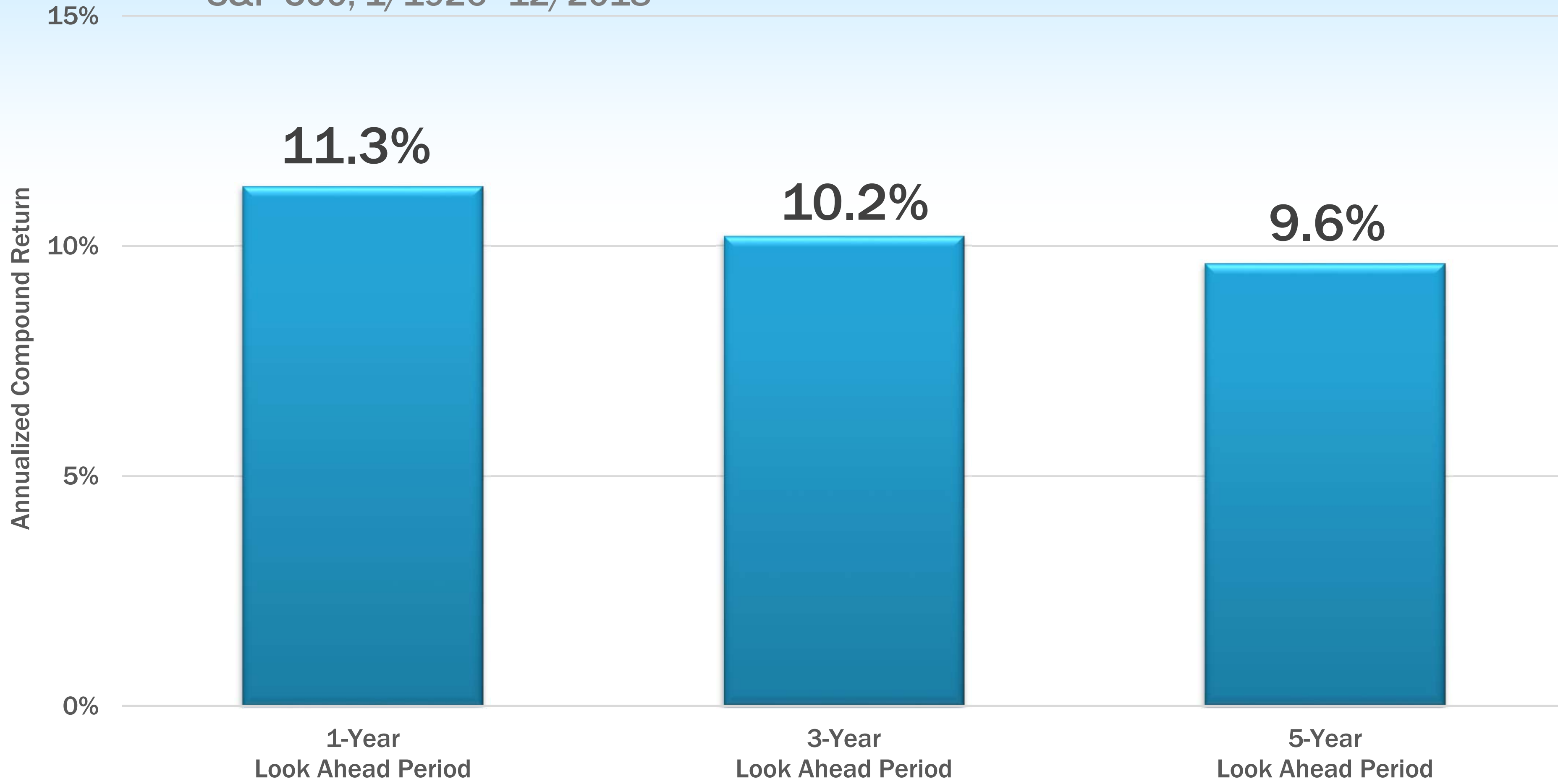
Average Annualized Returns

after Market Decline of More than 10%

S&P 500, 1/1926–12/2018



In US dollars. Past performance is no guarantee of future results. Declines are defined as months ending with the market below the previous market high by at least 10%. Annualized compound returns are computed for the relevant time periods after each decline observed and averaged across all declines for the cutoff. There were 1,115 observation months in the sample. January 1990–Present: S&P 500 Total Returns Index. Currency: S&P data © 2019 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. January 1926-December 1989; S&P 500 Total Return Index, Stocks, Bonds, Bills and Inflation Yearbook™, Ibbotson Associates, Chicago. For illustrative purposes only. Index is not available for direct investment; therefore, its performance does not reflect the expenses associated with the management of an actual portfolio. There is always a risk that an investor may lose money.

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Detail: This chart reports the performance of markets subsequent to declines of 10%.

Results are shown for US large caps over one-, three-, and five-year annualized periods. Occurrences of such drops have not been a reliable indicator of future subsequent market returns. Since 1926, returns have been positive for US large caps over one-, three-, and five-year periods on average following both new market highs and market declines of at least 10%.

(Declines are defined as months in which the market is below the previous market high by at least 10%.)

(Annualized compound returns are computed for the relevant investment periods after each decline observed and averaged across all declines.)

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