

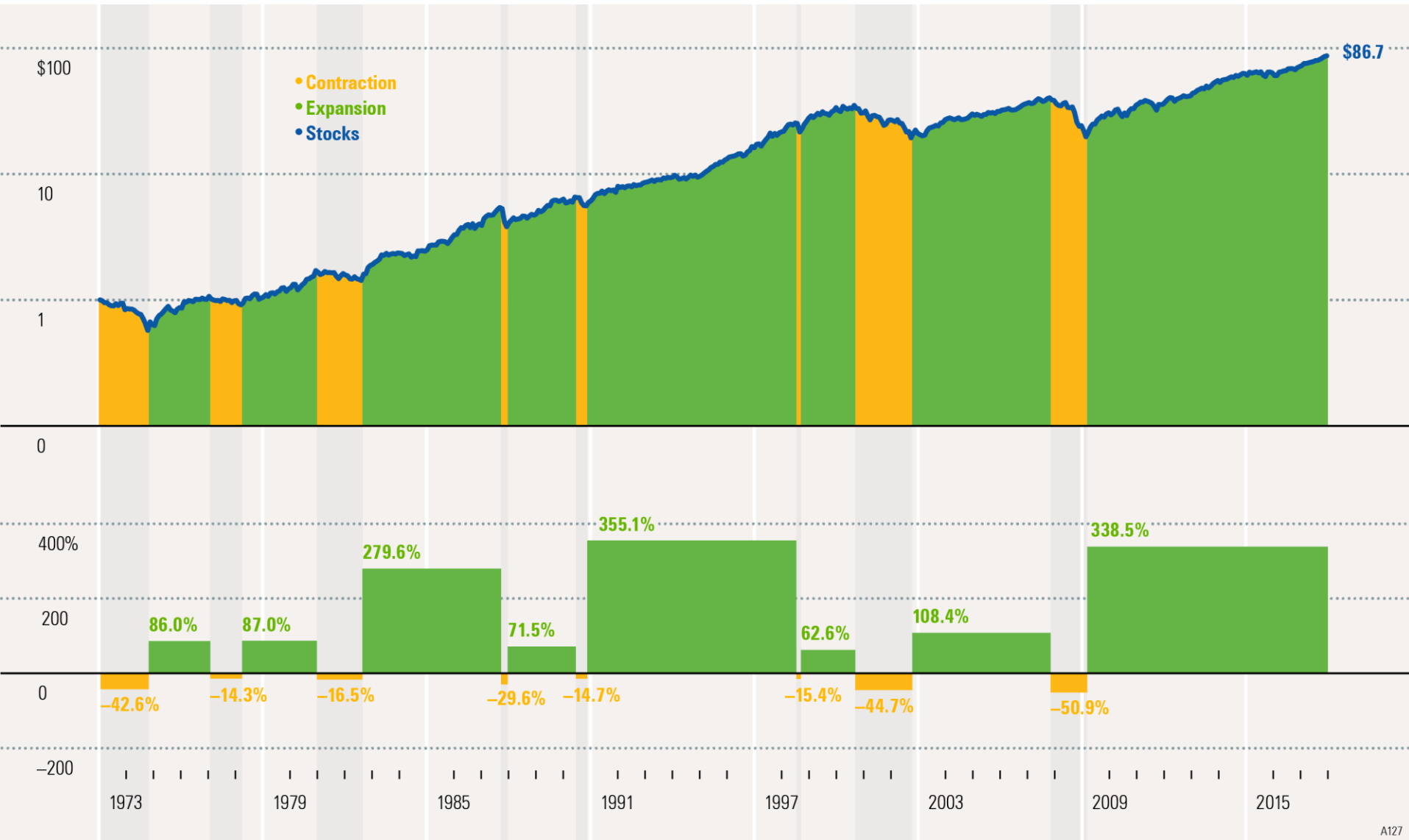
# Downturns and Recoveries

Compliments of Capital Asset Management

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# Stock Market Contractions and Expansions 1973–2017

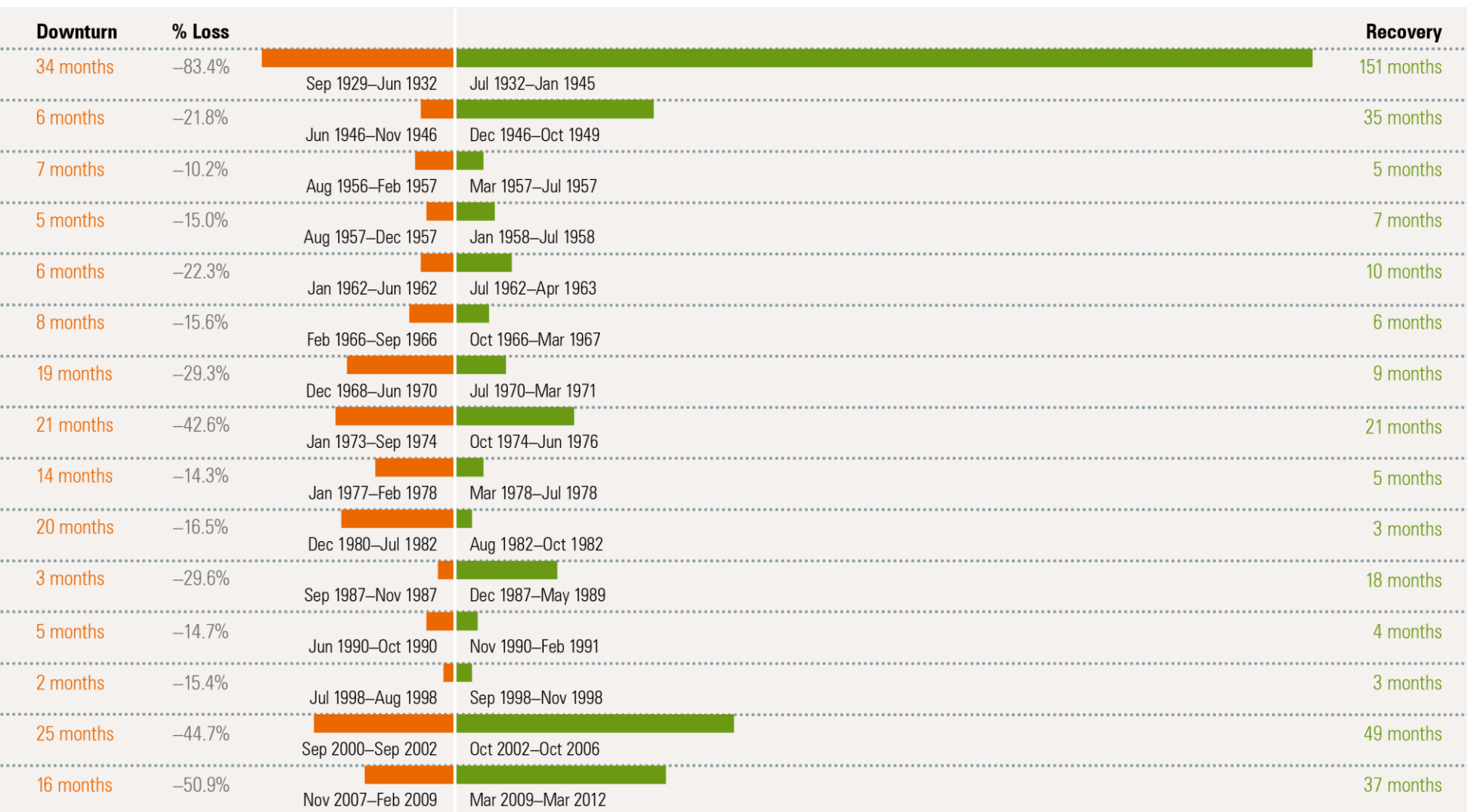


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# Market Downturns and Recoveries

1926–2017

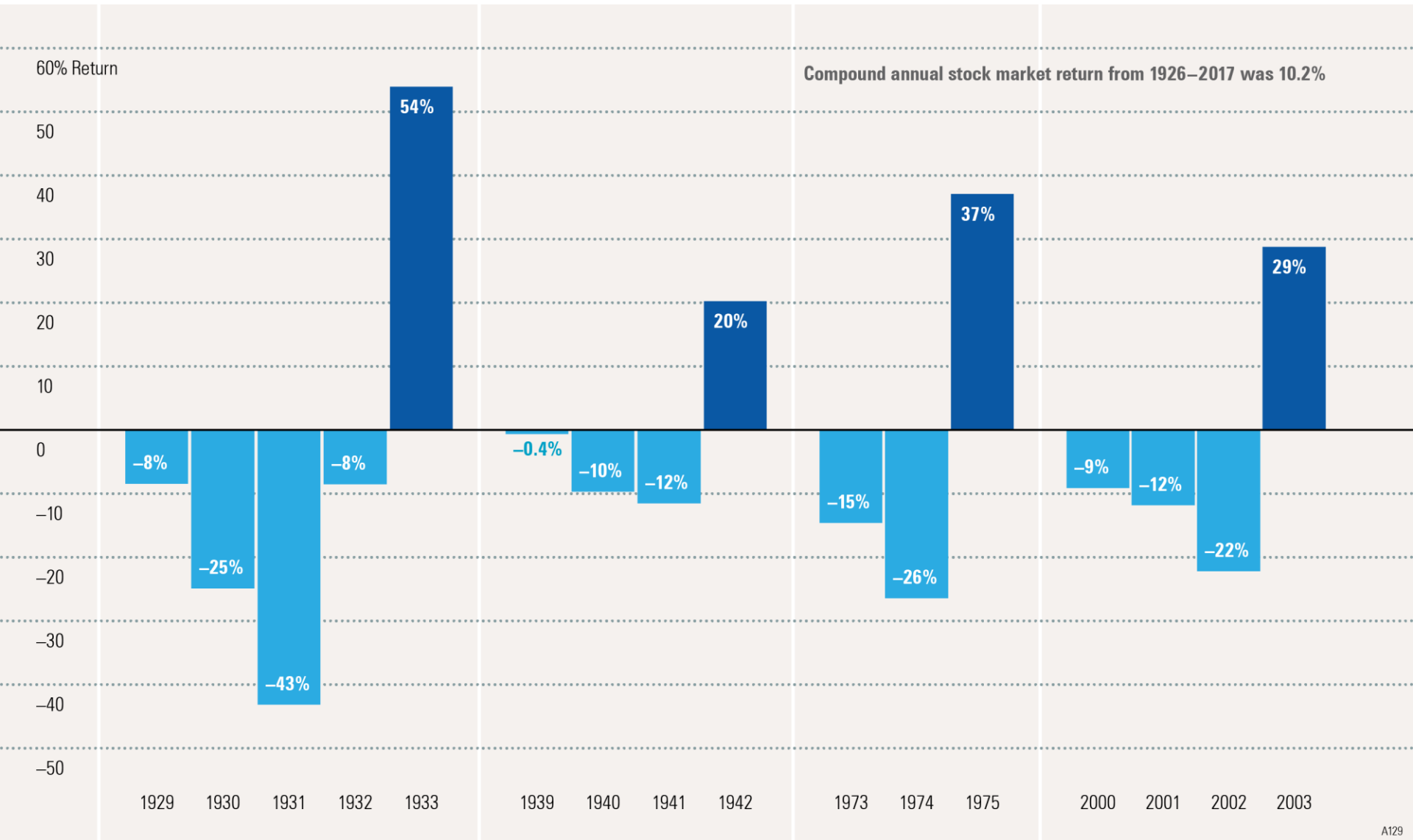


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# Periods of Consecutive Negative Stock Returns

## 1926–2017

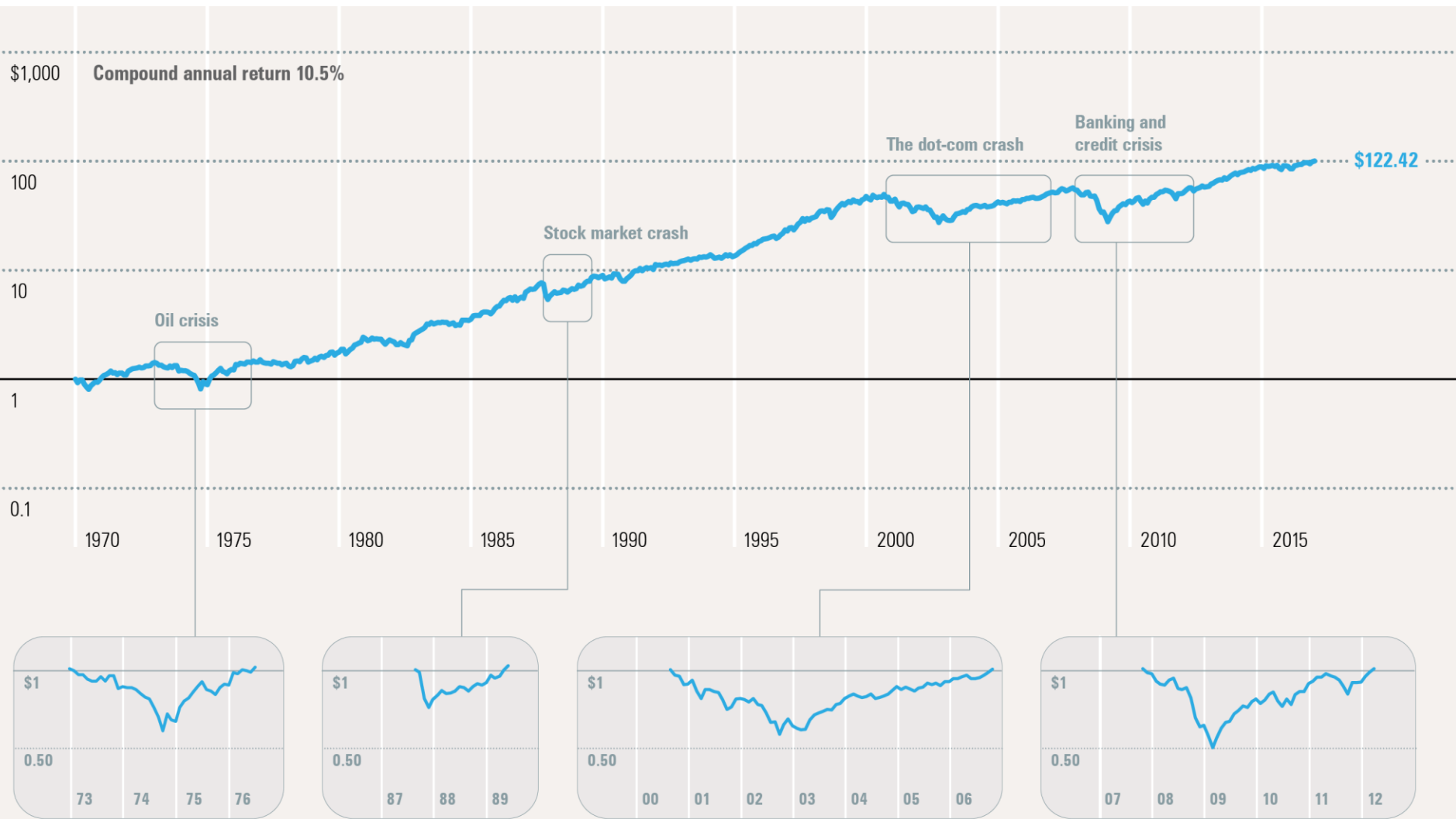


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# Crises and Long-Term Performance

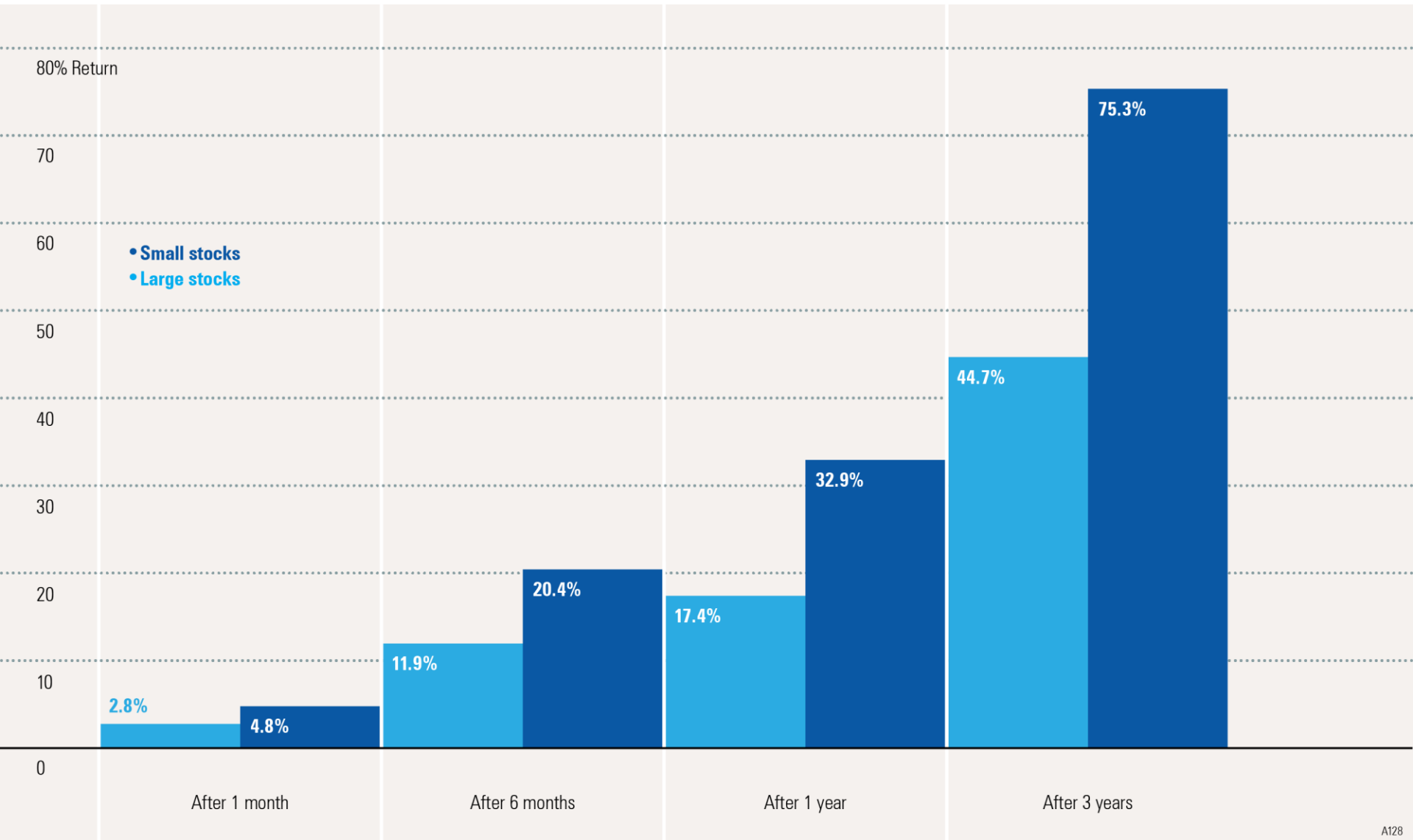
## Market declines in historical context, Jan. 1970–Dec. 2017



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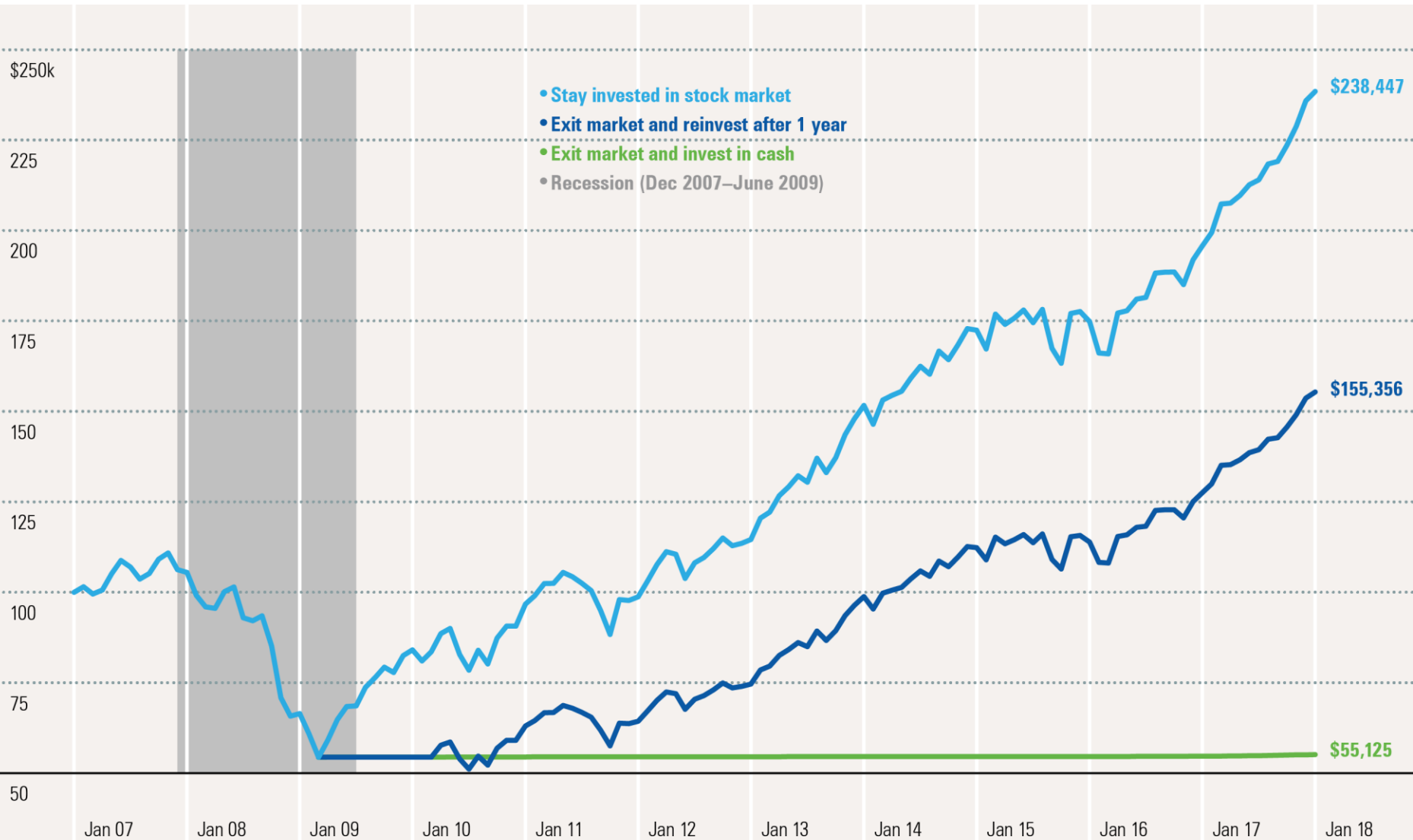
# Stock Performance After Recessions 1953–2017



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# The Importance of Staying Invested

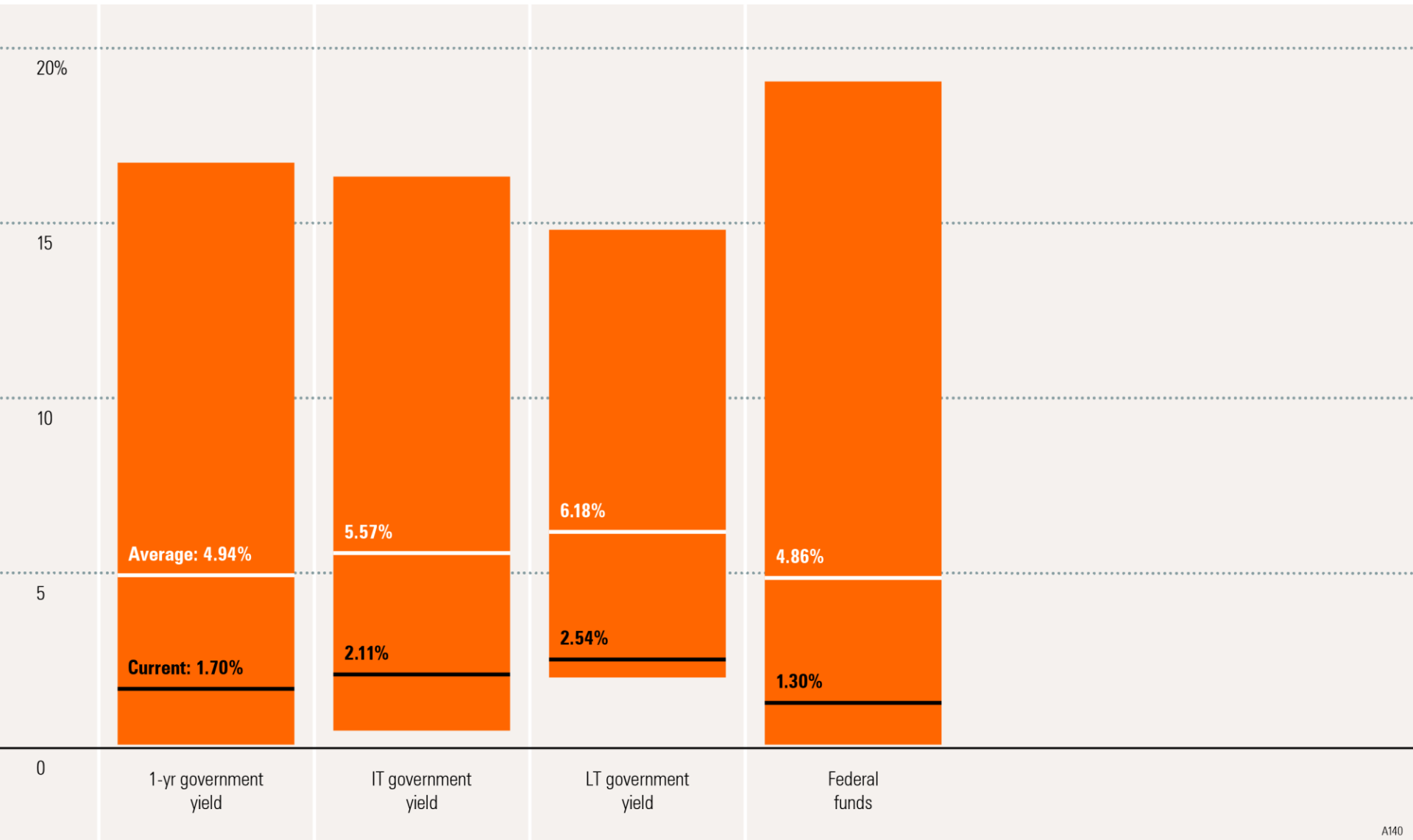
## Ending wealth values after a market decline



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# History of Interest Rates

## July 1954–December 2017

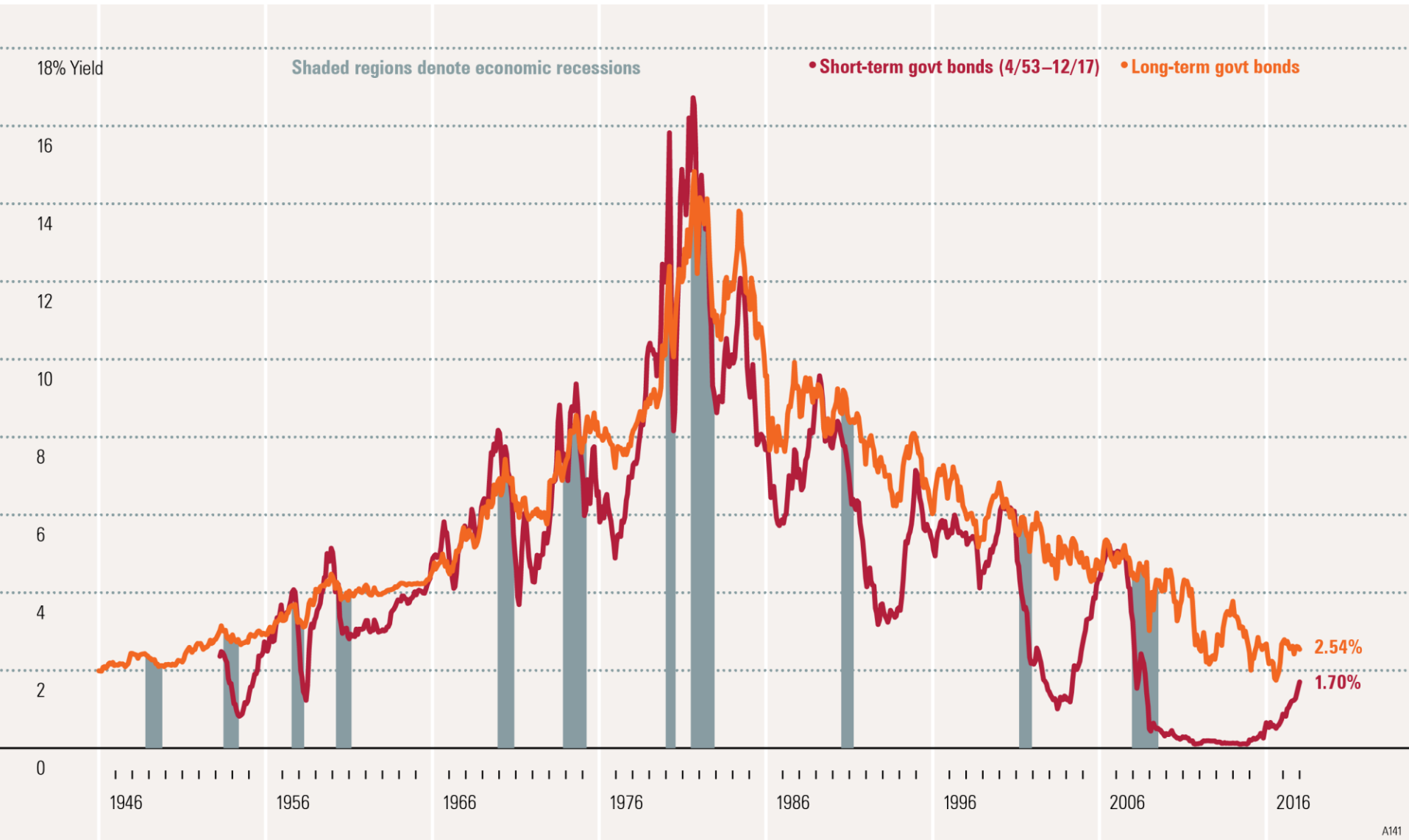


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# Bond Yields During Recessions

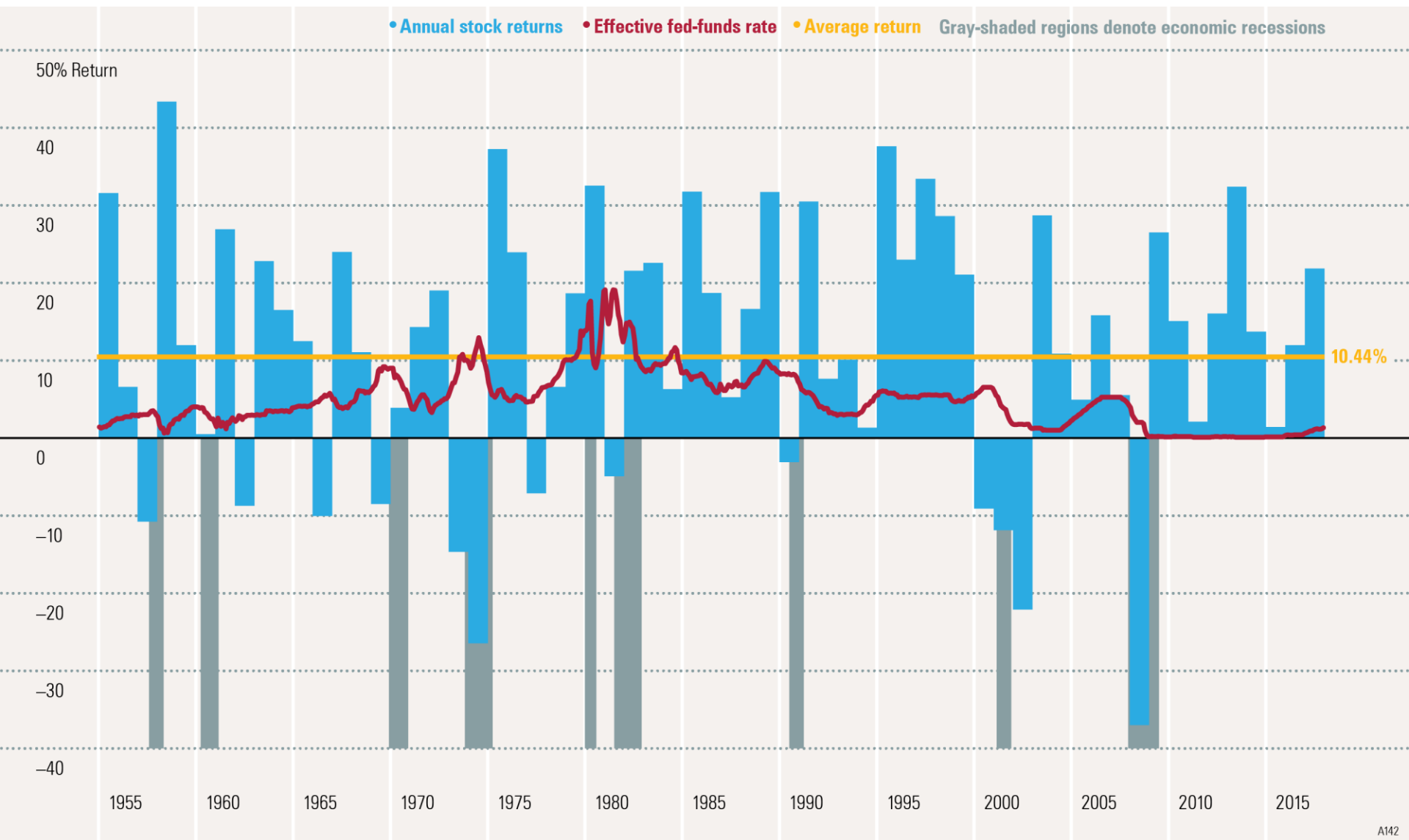
## 1946–2017



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# Stock Returns and Monetary Policy

## Annual returns, 1955–2017



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# Correlations of Various Asset Classes with the Market

January 1980–December 2017

	Before recession Jan 1980–Nov 2007	During recession Dec 2007–Jun 2009	Entire period Jan 1980–Dec 2017
<b>Small stocks</b>	<b>0.72</b>	<b>0.95</b>	<b>0.77</b>
<b>International stocks</b>	<b>0.57</b>	<b>0.93</b>	<b>0.67</b>
<b>Commodities</b>	<b>0.08</b>	<b>0.51</b>	<b>0.22</b>
<b>REITs</b>	<b>0.47</b>	<b>0.83</b>	<b>0.56</b>
<b>Gold</b>	<b>0.05</b>	<b>-0.06</b>	<b>0.04</b>
<b>Long-term corp bonds</b>	<b>0.23</b>	<b>0.34</b>	<b>0.19</b>
<b>Long-term govt bonds</b>	<b>0.18</b>	<b>0.03</b>	<b>0.05</b>
<b>Intermediate-term govt bonds</b>	<b>0.12</b>	<b>-0.32</b>	<b>0.04</b>
<b>Treasury bills</b>	<b>0.00</b>	<b>-0.11</b>	<b>0.01</b>

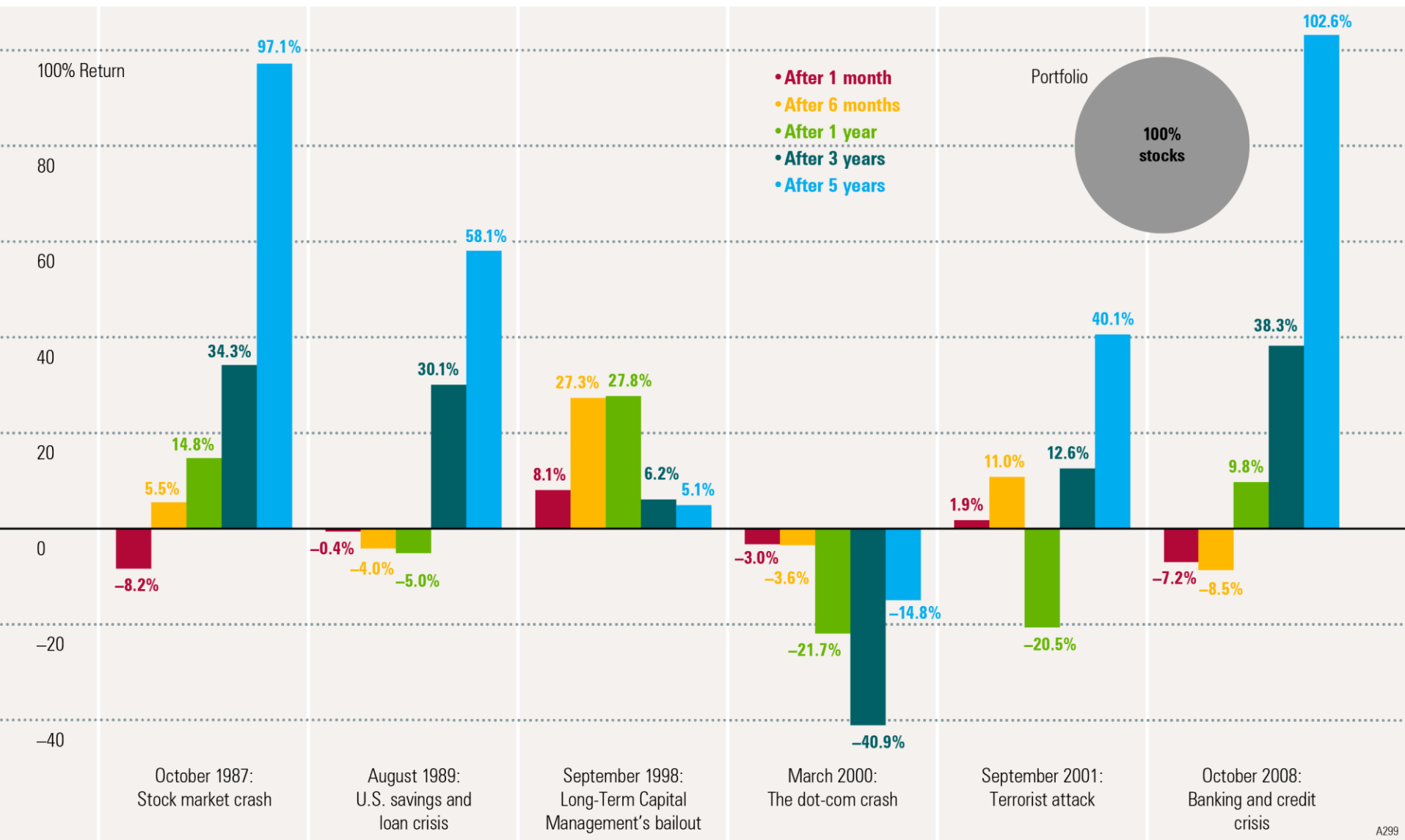
• Low • Medium • High

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# U.S. Market Recovery After Financial Crises

Cumulative return of all-stock portfolio after various events

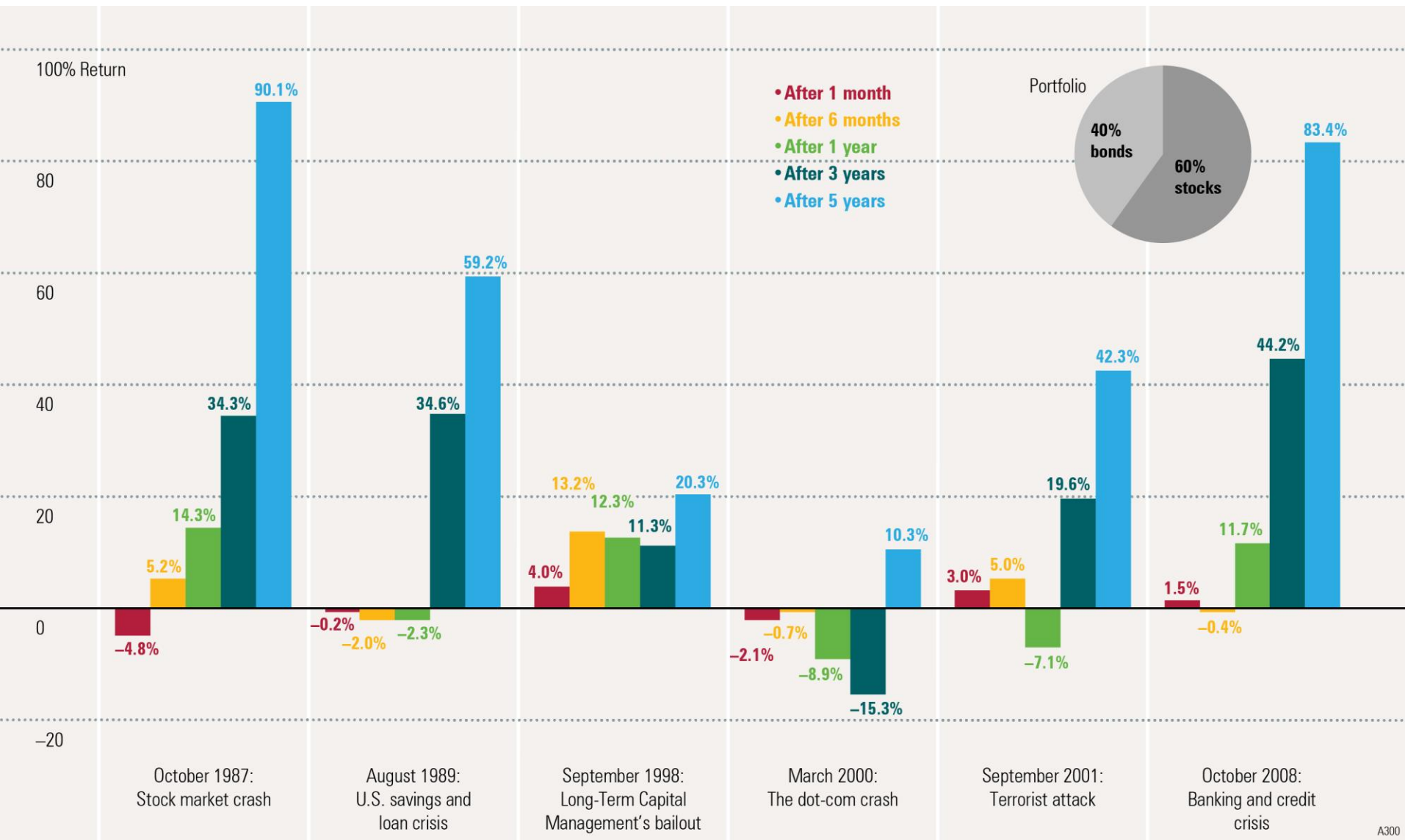


**Past performance is no guarantee of future results.** Returns reflect the percentage change in the index level from the end of the month in which the event occurred to one month, six months, one year, three years and five years after. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © Morningstar. All Rights Reserved.



# U.S. Market Recovery After Financial Crises

Cumulative return of balanced portfolio after various events



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