

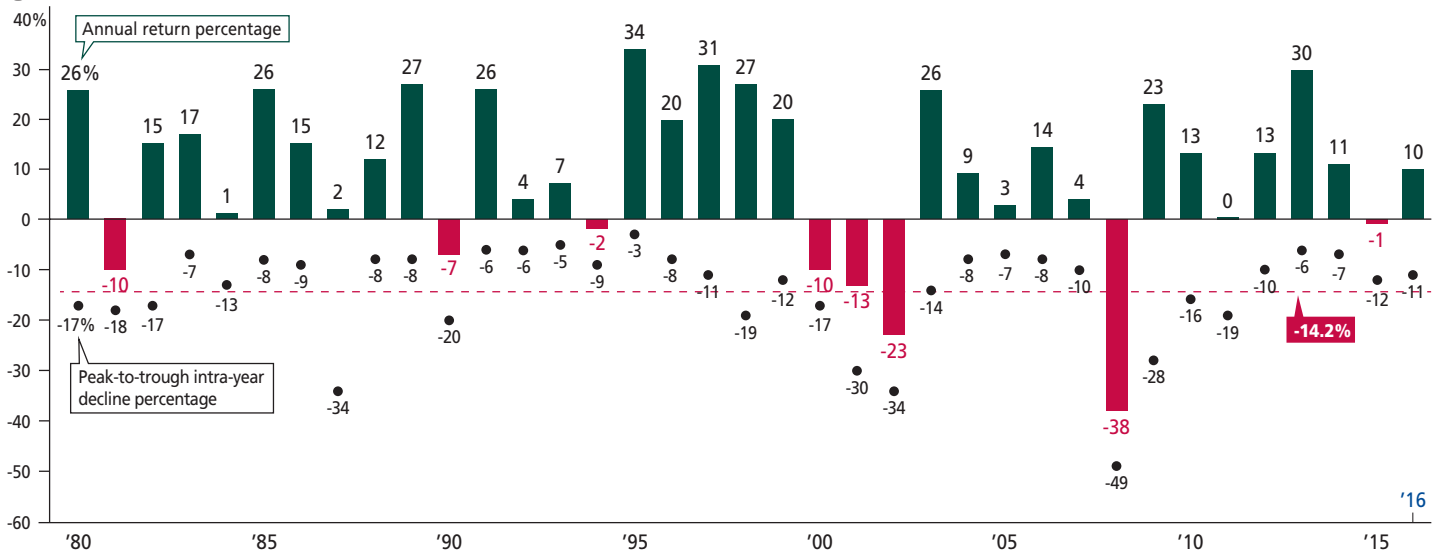


**1 11 Bear Markets Since World War II (-34% average decline, 16 months average duration)**

Bear Market #	Market Peak	President at Peak	Market Trough	% Decline	Duration (Months)	S&P 500 Market Peak	S&P 500 Market Trough
1	May 29, 1946	Truman	Jun. 13, 1949	-30%	36.5	19.3	13.6
2	Aug. 2, 1956	Eisenhower	Oct. 22, 1957	-22%	14.5	49.7	39.0
3	Dec. 12, 1961	Kennedy	Jun. 26, 1962	-28%	6.5	72.6	52.3
4	Feb. 9, 1966	Johnson	Oct. 7, 1966	-22%	8.0	94.1	73.2
5	Nov. 29, 1968	Johnson	May 26, 1970	-36%	18.0	108.4	69.3
6	Jan. 11, 1973	Nixon	Oct. 3, 1974	-48%	20.5	120.2	62.3
7	Nov. 28, 1980	Carter	Aug. 12, 1982	-27%	20.5	140.5	102.4
8	Aug. 25, 1987	Reagan	Dec. 24, 1987	-34%	4.0	336.8	223.9
9	Jul. 16, 1990	Bush (41)	Oct. 11, 1990	-20%	3.0	369.0	295.5
10	Mar. 24, 2000	Clinton	Oct. 9, 2002	-49%	30.5	1,527.5	776.7
11	Oct. 9, 2007	Bush (43)	Mar. 9, 2009	-57%	17.0	1,565.1	676.5

Source: Standard & Poor's

**2 Average Intra-Year Declines of 14.2% (S&P 500 positive return 28 out of the last 37 years)**



Returns are based on price index only and do not include dividends. Intra-year declines refer to the largest market drops from a peak to a trough during the year.

Source: J.P. Morgan Asset Management

**3 Moderate Pullbacks Happen Frequently**

Drawdown Threshold	Historical Frequency	Typical # Per Year	Typical Recovery Time
20%	Once per market cycle	0	20 months
10%	Once per year	1	8 months
5%	Once per quarter	4	2 to 3 months
3%	Once per month	11	2 to 6 months
2%	Often	18	1 to 4 months

Source: J.P. Morgan Asset Management

Historically, the market has declined 5% an average of 4 times a year, or about once per quarter. Despite this, the market has tended to fully recover within 3 months.

**4 10 Worst Intra-Year Drawdowns**

Year	Intra-Year Drawdown	Year-End Return	Year	Intra-Year Drawdown	Year-End Return
1931	-58%	-47%	1930	-44%	-28%
1932	-51%	-15%	1974	-38%	-30%
2008	-49%	-38%	2002	-34%	-23%
1937	-46%	-39%	1987	-34%	-2%
1929	-45%	-12%	2001	-30%	-13%

Source: J.P. Morgan Asset Management

**-21%** Black Monday  
October 19, 1987: the worst single day return ever.

