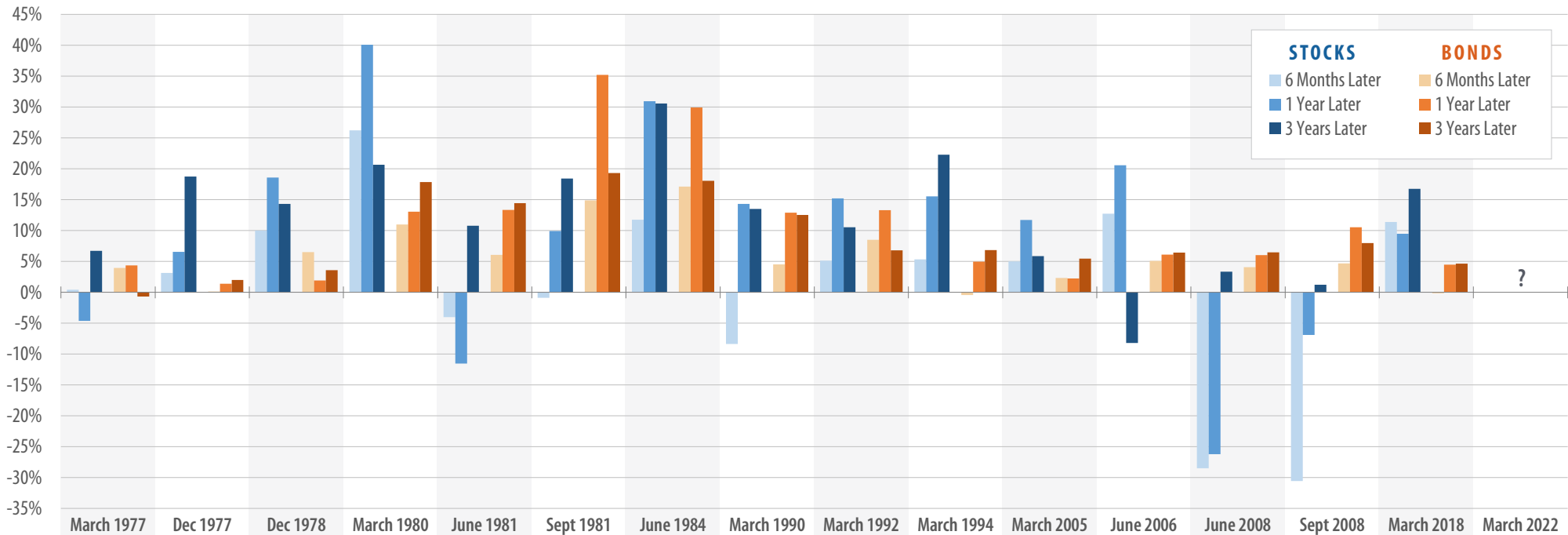


# Stocks and Bonds Falling Together: What Happens Next?

During the first quarter of 2022, both stocks and bonds were down. From 1976-March 2022 there were only 16 of 185 quarters in which stocks and bonds fell together. Below we take a closer look at this uncommon occurrence, how much stocks and bonds declined in those quarters and historically how they performed after.

DOWN QUARTER	March 1977	Dec 1977	Dec 1978	March 1980	June 1981	Sept 1981	June 1984	March 1990	March 1992	March 1994	March 2005	June 2006	June 2008	Sept 2008	March 2018	March 2022
<b>STOCKS</b>	-7.45%	-0.11%	-4.93%	-4.12%	-2.30%	-10.23%	-2.57%	-3.02%	-2.53%	-3.79%	-2.15%	-1.44%	-2.73%	-8.37%	-0.76%	-4.60%
<b>BONDS</b>	-0.81%	-0.08%	-1.40%	-8.71%	-0.33%	-4.06%	-2.07%	-0.80%	-1.28%	-2.87%	-0.48%	-0.08%	-1.02%	-0.49%	-1.46%	-5.93%

## HISTORICAL RETURNS FOR PERIODS AFTER QUARTERS IN WHICH STOCKS AND BONDS FELL TOGETHER



### STOCKS (S&P 500 INDEX)

	6 Months Later	1 Year Later	3 Years Later
<b>Average Return</b>	+1.3%	+9.6%	+12.4%
<b>Percent Positive</b>	67%	73%	93%

### BONDS (BLOOMBERG U.S. AGGREGATE BOND INDEX)

	6 Months Later	1 Year Later	3 Years Later
<b>Average Return</b>	+5.9%	+10.7%	+8.8%
<b>Percent Positive</b>	87%	100%	93%

Source: Bloomberg. Data from 12/31/1975-3/31/2022. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Stocks are represented by the S&P 500 Index, an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Bonds are represented by the Bloomberg U.S. Aggregate Bond Index, a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. An index cannot be purchased directly by investors.

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