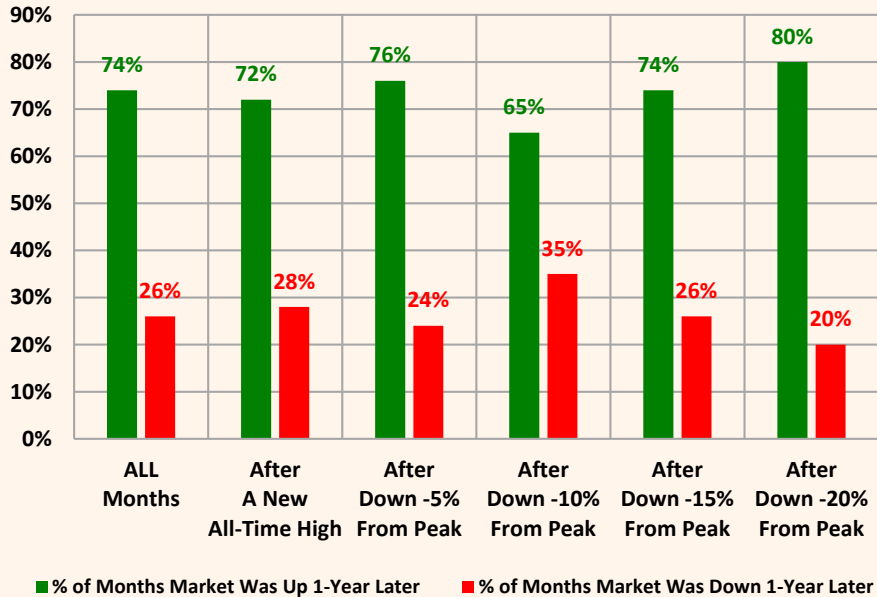


MARKET MICROSCOPE – Do Market Peaks And Valleys Tell Us Anything About The Future?

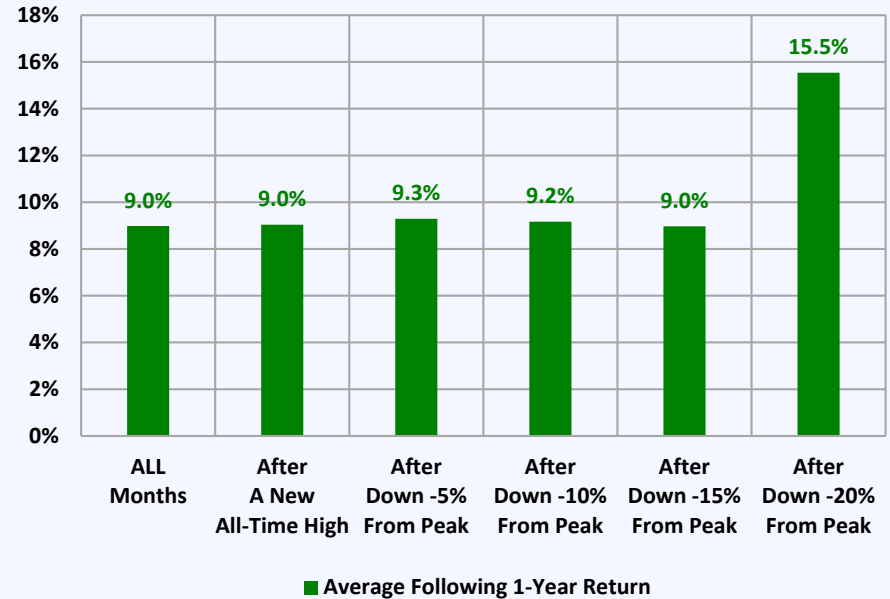
History suggests that whether the US stock market is at a new all-time high or experiencing a correction, investors should stick to their asset allocation plan.

Was The S&P 500 Up Or Down 1 Year Later? Monthly Returns: Jan 1950 - Dec 2022



The above chart considers the forward 1-year return of the S&P 500 Price Index when the index ended a month at a new peak or when it first passed various drawdown thresholds. The future 1-year return was positive a similar percentage of the time, regardless of the level of the market's current decline.

Average Return 1 Year Later Monthly Returns: Jan 1950 - Dec 2022



The average forward 1-year return was similar to the long-term average for all months both when the market was at a new peak and when the market was down. The lone exception was when the market reached "bear market" (-20%) status, at which point the forward 1-year return was much higher on average.