

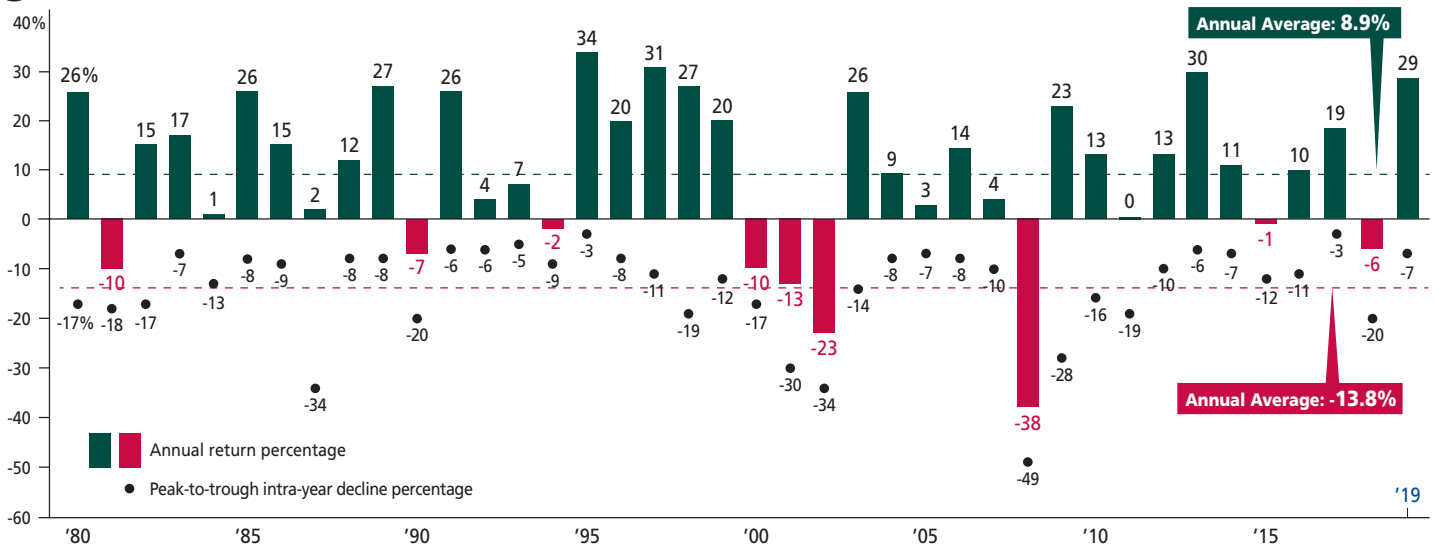


**1 10 Bear Markets Since World War II (▼-35% avg. decline, 536 days avg. duration)**

Bear Market #	Market Peak	President at Peak	Market Trough	Peak-to-Trough	Duration (Days)	S&P 500 Market Peak	S&P 500 Market Trough
1	May 29, 1946	Truman	Jun. 13, 1949	▼ -30%	1,111	19.3	13.6
2	Aug. 2, 1956	Eisenhower	Oct. 22, 1957	▼ -22%	446	49.7	39.0
3	Dec. 12, 1961	Kennedy	Jun. 26, 1962	▼ -28%	196	72.6	52.3
4	Feb. 9, 1966	Johnson	Oct. 7, 1966	▼ -22%	240	94.1	73.2
5	Nov. 29, 1968	Johnson	May 26, 1970	▼ -36%	543	108.4	69.3
6	Jan. 11, 1973	Nixon	Oct. 3, 1974	▼ -48%	630	120.2	62.3
7	Nov. 28, 1980	Carter	Aug. 12, 1982	▼ -27%	622	140.5	102.4
8	Aug. 25, 1987	Reagan	Dec. 24, 1987	▼ -34%	121	336.8	223.9
9	Mar. 24, 2000	Clinton	Oct. 9, 2002	▼ -49%	929	1,527.5	776.7
10	Oct. 9, 2007	Bush (43)	Mar. 9, 2009	▼ -57%	517	1,565.1	676.5

Source: Standard & Poor's

**2 Average Intra-Year Declines of 13.8% (S&P 500 positive return 30 out of the last 40 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 weeks
2%	Often	18	1 to 4 weeks

Source: J.P. Morgan Asset Management (data as of Dec. 31, 2019)

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.


**1 Average Annual Nominal Rates of Return: 1926-2019**

<b>10%</b> Large-cap stocks	<b>12%</b> Small-cap stocks	<b>6%</b> Investment-grade corporate bonds	<b>3%</b> Inflation
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*Source: Morningstar*

Inflation adjusted returns of equities (7-9%) historically have been 2 to 3x greater than those of bonds (3% real return).

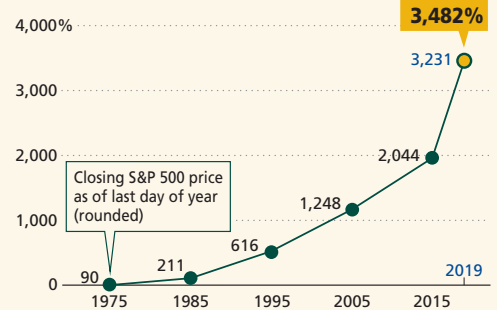
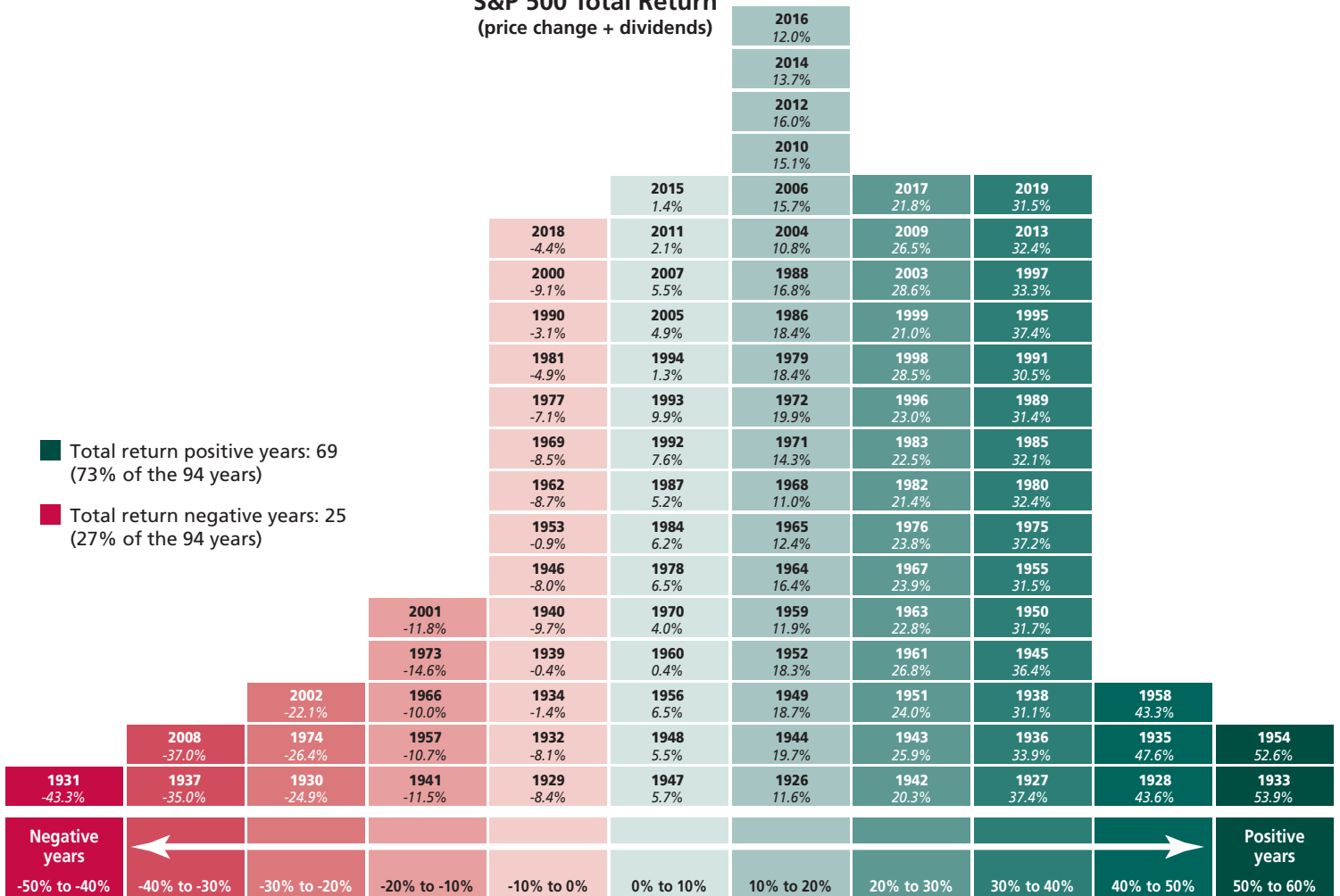
**2 Frequency of S&P 500 Index Positive Returns Since 1950 (price change only, excluding dividends)**

<b>73%</b> Annually	<b>66%</b> Quarterly	<b>60%</b> Monthly	<b>54%</b> Daily
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The volatile and asymmetric returns experienced over days and weeks are smoother over the course of months and years.

*Source: BTN Research (data as of Dec. 31, 2019)*
**3 S&P 500 Price Increase Since 1975**

Since 1975, the S&P 500 price has increased 36x, or at a compounded growth rate of 8%, *excluding dividends*


*Source: Standard & Poor's*
**4 S&P 500 Total Return Positive 73% of the last 94 Years**
**S&P 500 Total Return (price change + dividends)**


■ Total return positive years: 69 (73% of the 94 years)

■ Total return negative years: 25 (27% of the 94 years)

Past performance is no guarantee of future results.

*Source: Morningstar*

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