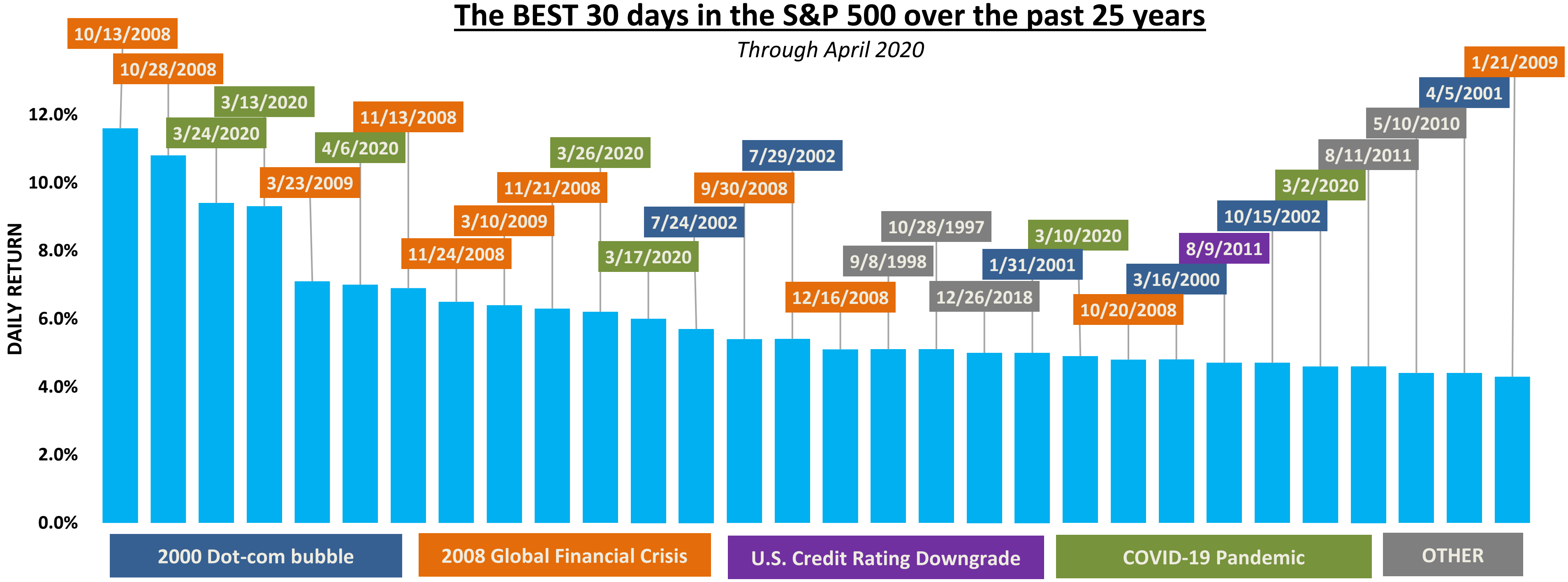
The Best Days Come in Bear Markets

The best and worst days of the market tend to occur together, making it nearly impossible to time well. In fact, over the past 25 years, when observing the best 30 days of the Standard & Poor's (S&P) 500 Index, a total **of 24 of them occurred during economic contractions and bear markets**. Those 24 days were collectively evident in the depths of the dotcom bubble of the early 2000s, the global financial crisis of 2008, and the COVID-19 pandemic crisis of 2020. The importance of understanding such a fact may play a critical role to an investor's long-term success. The reality is that investors often feel emotionally compelled to reduce, or even exit, their equity market participation during times of economic stress. The objective ability to look beyond tumultuous times, however, can have a measurable impact to an investor's long-term success. As an example, an investor that remained fully invested in the S&P 500 over the past 25 years would have realized an annualized return of 8.97%. Such a return would have turned a $100,000 initial investment into more than $856,000. If that same investor would have missed the 30 best days in that same 25 year span, they would have earned below the rate of inflation with a mere 1.56% annualized return. Simply put, market participants have a greater chance of achieving long-term success by staying fully invested in times of market volatility and in times of economic distress. For those that have an ability to increase their equity market participation during times of volatility, the chances of added success may be further amplified.

The BEST 30 days in the S&P 500 over the past 25 years

Through April 2020



Source: Bloomberg. Standard & Poor's (S&P) 500 Total Return Index. This index is unmanaged and cannot be invested into directly. All performance referenced is historical and is no guarantee of future results. The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. The S&P 500 Index is a capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries