## S\&P 500 \& Panic Attacks


"The definition of insanity is doing the same thing over and over again and expecting a different result."

- Attributed to Albert Einstein

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## S\&P 500 Market Crashes vs. Pullbacks

| Peak | Trough | Days | S\&P <br> 500 | S\&P 500 <br> Return: Peak <br> to Trough <br> +1 Year | Recession |
| :--- | :--- | :--- | :---: | :---: | :--- |
| Nov. 1968 | May 1970 | 543 | $-36 \%$ | $-8 \%$ | Yes |
| Jan. 1973 | Oct. 1974 | 630 | $-48 \%$ | $-29 \%$ | Yes |
| Nov. 1980 | Aug. 1982 | 621 | $-27 \%$ | $15 \%$ | Yes |
| Aug. 1987 | Dec. 1987 | 101 | $-34 \%$ | $-18 \%$ | No |
| March 2000 | Oct. 2002 | 929 | $-49 \%$ | $-32 \%$ | Yes |
| Oct. 2007 | March 2009 | 517 | $-57 \%$ | $-27 \%$ | Yes |
| Average |  | 557 | $-42 \%$ | $-16 \%$ | $83 \%$ |


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| :--- | :--- | :---: | :---: | :---: | :--- |
| Sept. 1976 | March 1978 | 531 | $-19 \%$ | $-9 \%$ | No |
| Feb. 1980 | March 1980 | 43 | $-17 \%$ | $14 \%$ | Yes |
| July 1990 | Oct. 1990 | 87 | $-20 \%$ | $3 \%$ | Yes |
| July 1998 | Oct. 1998 | 83 | $-19 \%$ | $13 \%$ | No |
| April 2010 | July 2010 | 70 | $-16 \%$ | $10 \%$ | No |
| April 2011 | Oct. 2011 | 157 | $-19 \%$ | $6 \%$ | No |
| Sept. 2018 | Dec. 2018 | 82 | $-19 \%$ | $10 \%$ | No |
| Feb. 2020 | March 2020 | 33 | $-34 \%$ | $15 \%$ | Yes |
| Average |  | 136 | $-20 \%$ | $8 \%$ | $38 \%$ |



[^0] reflect any fees, expenses or sales charges.

## Midterm Election Years Typically Choppy



- Midterm election years often experience outsized intra-year drawdowns.
- Investors have historically been rewarded for capitalizing on this weakness with robust returns (+32\% on average) in the one-year period following the lows.

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[^0]:    Market Crashes defined as decline of $20 \%$ or greater in S\&P 500 lasting at least 1 year. Pullbacks defined as declines of $15 \%$ or greater in S\&P 500 (no time component). 1987 decline persisted at $20 \%$ or greater loss 1 year after Aug. 1987 peak despite trough coming in Dec. 1987. Source: S\&P, NBER, and Bloomberg. Past performance is not a guarantee of future results. Investors cannot invest directly in an index, and unmanaged index returns do not

