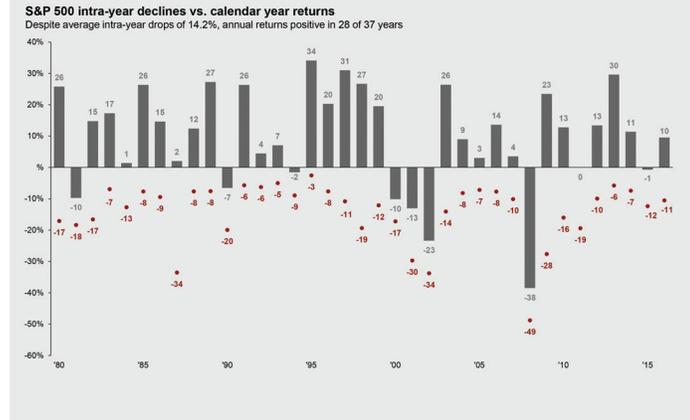


Chart of the Month →

Over the previous 37 years, the stock market has been up 29 times and down 8. Even though the market was up nearly 80% of the time, in each one of those positive-return years the market spent some time in the red. Intra-year declines are part-and-parcel of being an equity holder. As the chart to the right shows, some years the declines are large even when the full year returns end positive. In fact, just last year the market was down 11% by mid-February but reported a +10% return for the year. Over the past 37 years the average intra-year decline was 14.2%.



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management. Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2016. Guide to the Markets – U.S. Data are as of December 31, 2016.



The Advisor Survey: Steve Bahm, Managing Director, Wealth Advisor

What advice do you give clients who are concerned with volatility in the equity markets?

My experience in the financial markets over the past 30 years has allowed me to see some trends regarding volatility. What I have found is that over the long term, 2 of 3 trading days are generally 'up days' so this trend is in your favor. However, the problem exists that it's not a consistent 2 of the 3 days. In the short term, the draw downs on the market are generally larger than the increases in the market. On the other hand, most of a portfolio's returns are realized over just a few trading days scattered throughout the year. Not only does this garner more attention in the media, it plays into the emotional aspect of investing. Our team has always and will continue to advocate for a long-term investing strategy armed with asset allocation and an educated perspective on market performance.

	Source: FactSet 2017	April	YTD	2016	Benchmark
Stocks	United States	1.0%	7.2%	12.0%	S&P 500
	Intl Developed	2.6%	10.2%	1.5%	MSCI EAFE
	Emerging Markets	2.2%	13.9%	11.6%	MSCI Emerging Markets
Bonds	US Investment Grade	0.8%	1.6%	2.6%	Barclays US Aggregate
	Intl Investment Grade	1.4%	3.9%	1.5%	Barclays Global Aggregate xUSD
	Global High Yield	1.7%	5.0%	14.3%	Barclays Global High Yield
	Emerging Markets \$	1.2%	4.6%	9.9%	Barclays Emerging Markets USD Aggregate
Other	Commodities	-1.5%	-2.3%	11.8%	Bloomberg Commodity
	Gold	1.5%	10.1%	8.5%	Gold New York Spot (\$/oz)
	Oil	-2.4%	-8.3%	44.8%	Crude Oil WTI/Global Spot NYMEX

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