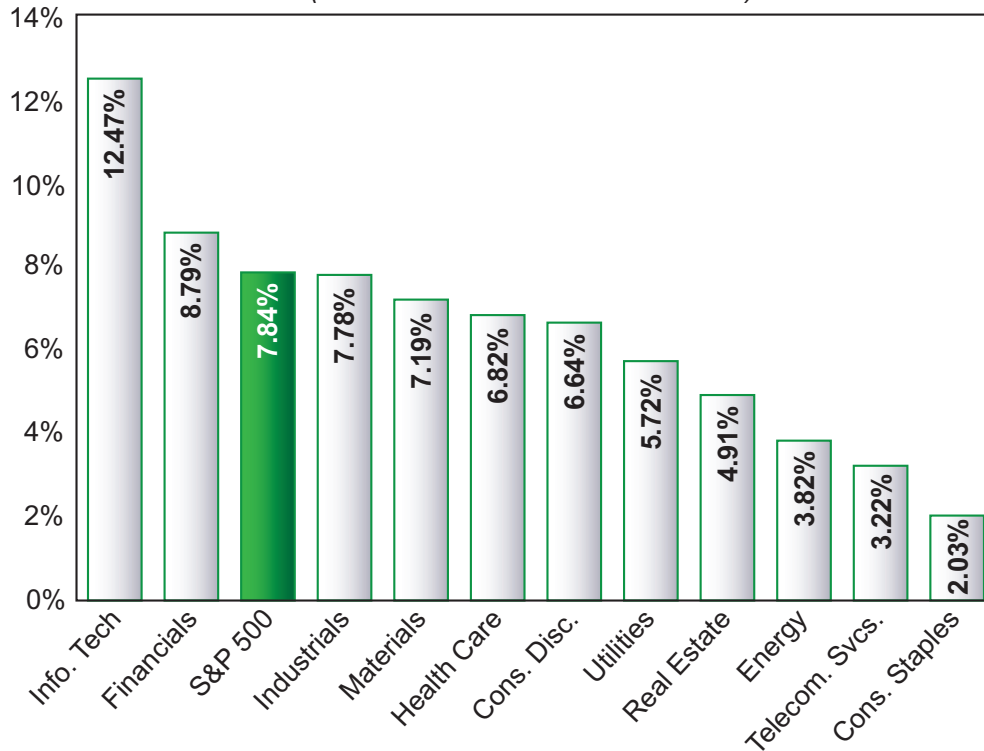


How The S&P 500 Index Has Performed Since Its 2018 Closing Low On 2/8

S&P 500 Index and S&P 500 Sector Index Returns
(Total Returns from 2/8/18-2/26/18)



Source: Bloomberg. Past performance is no guarantee of future results.

View from the Observation Deck

- 1.. The stock market just experienced its first correction (price decline of 10% or more) since 2015-2016.
2. That correction stretched from 5/21/15 through 2/11/16, or 266 days, according to data from Bloomberg. The S&P 500 Index posted a total return of -12.81% over that period. It took 151 days to fully recover.
3. The correction we just witnessed was quite quick. It lasted from 1/26/18 through 2/8/18, or 13 days. The S&P 500 Index posted a total return of -10.10% over that period. Technically, it is not over because the index has not fully recovered the losses sustained in the sell-off.
4. As of 2/26/18, the index had rebounded 7.84% from its 2018 low established on 2/8/18 (see chart). Investors have favored Information Technology and Financials, which currently carry the largest weightings in the S&P 500 Index at 24.97% and 15.01%, respectively, according to Bloomberg.
5. In the 13 day correction (1/26/18-2/8/18), the 11 major sectors that comprise the index posted the following total returns (not shown in chart) : Energy (-13.97%); Health Care (-11.64%); Information Technology (-10.57%); Materials (-10.39%); Financials (-10.04%); Industrials (-9.45%); Consumer Staples (-8.84%); Real Estate (-8.65%); Telecommunication Services (-8.23%); Consumer Discretionary (-8.16%); and Utilities (-6.90%), according to Bloomberg.
6. While no one knows for sure where the stock market will trend in the near-term, this correction could still represent a buying opportunity for equity investors when you factor in the strength of the economy and rising corporate earnings, in our opinion.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance, while the 11 major S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.

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