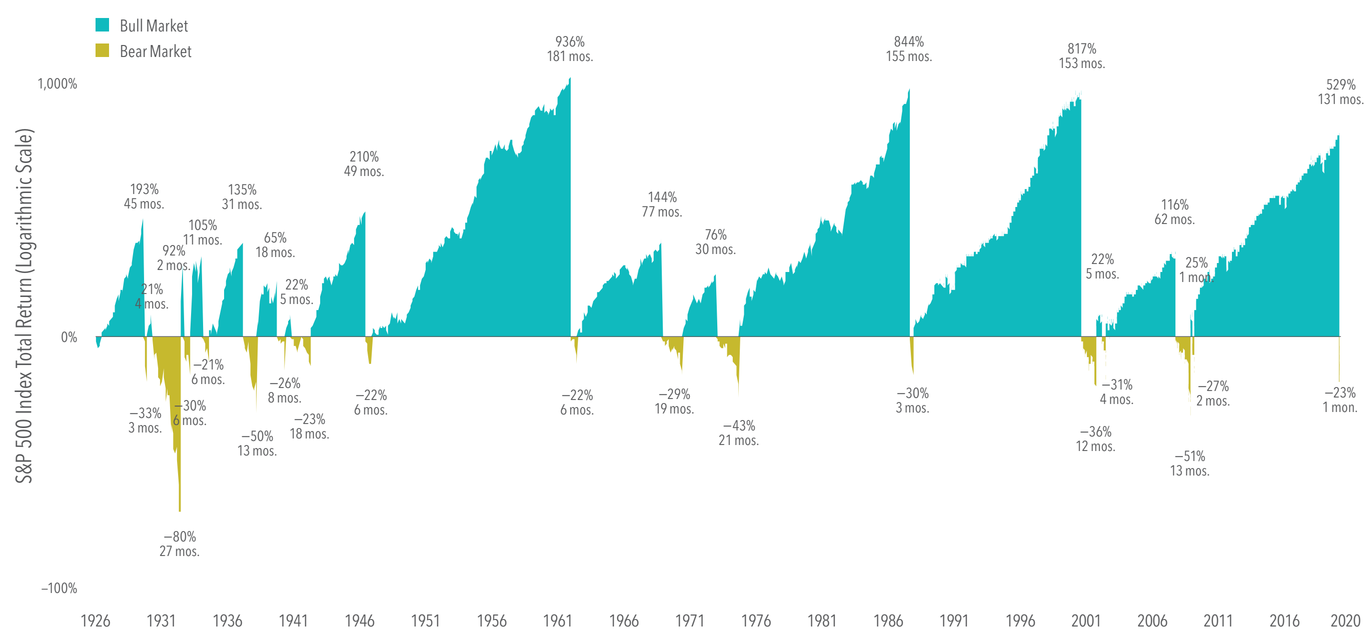
Bulls, Bears, and Long-Term Benefits of Stock Investing

Stock returns are volatile, but nearly a century of bull and bear markets shows that the good times have outshined the bad times.

- From 1926 through March 31, 2020, the S&P 500 Index experienced 17 bear markets, or a fall of at least 20% from a previous peak. The declines ranged from —21% to —80% across an average length of around 10 months.
- On the upside, there were 17 bull markets, or gains of at least 20% from a previous trough. They averaged 56 months in length, and advances ranged from 21% to 936%.
- When the bull and bear markets are viewed together, it's clear equities have rewarded disciplined investors.

The stock market's ups and downs are unpredictable, but history supports an expectation of positive returns over the long term. For the best shot at the benefits the market can offer, stay the course.

S&P 500 INDEX TOTAL RETURNS
January 1926–March 2020



Past performance is no guarantee of future results. Indices are not available for direct investment; therefore, their performance does not reflect the expenses associated with the management of an actual portfolio. In USD. Chart end date is 3/31/2020, the last peak to trough return of –23% represents the return through March 2020. Due to availability of data, monthly returns are used January 1926 through December 1989; daily returns are used January 1990 through present. Periods in which cumulative return from peak is –20% or lower and a recovery of 20% from trough has not yet occurred are considered Bear markets. Bull markets are subsequent rises following the bear market trough through the next recovery of at least 20%. The chart shows bear markets and bull markets, the number of months they lasted and the associated cumulative performance for each market period. Results for different time periods could differ from the results shown. A logarithmic scale is a nonlinear scale in which the numbers shown are a set distance along the axis and the increments are a power, or logarithm, of a base number. This allows data over a wide range of values to be displayed in a condensed way. Source: S&P data © 2020 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Dimensional Fund Advisors LP is an investment advisor registered with the Securities and Exchange Commission.

Securities offered through Mutual Securities, Inc., Member FINRA/SIPC. Supervisory office located at 807-A Camarillo Springs Road, Camarillo, CA 93012. Investment advisory services offered through NOVA® Financial LLC dba NOVA® Financial Services, a registered investment adviser. NOVA® Financial LLC and NOVA® Financial Services are not affiliated with Mutual Securities, Inc.