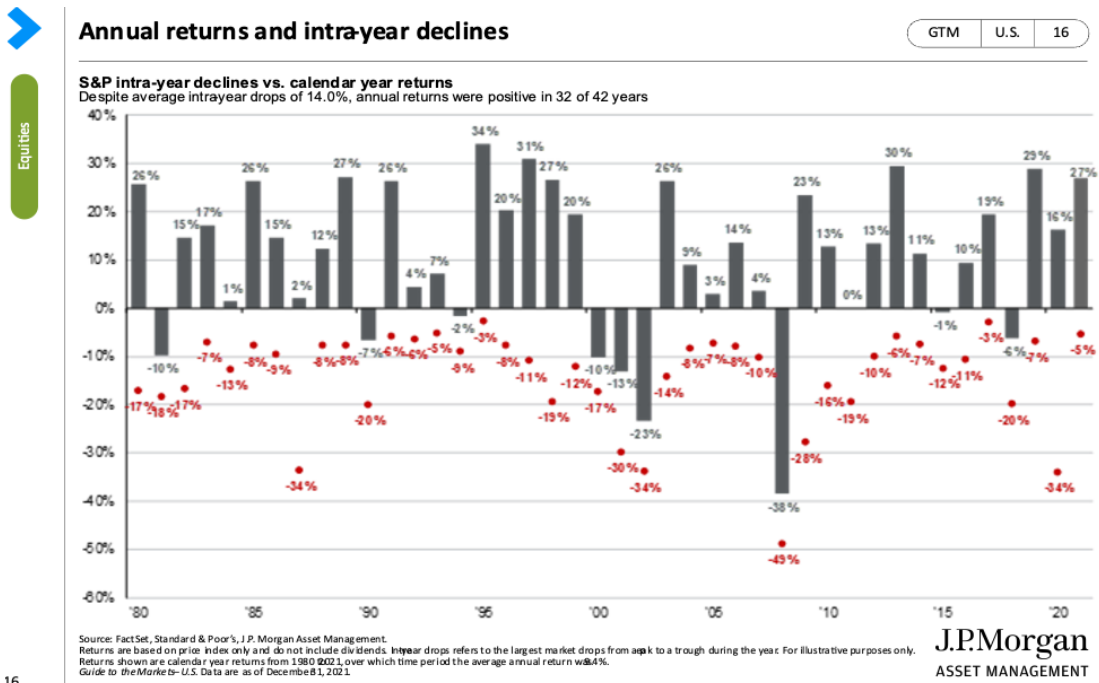




## Market Corrections January 2022

The stock markets have gotten off to a rocky start in 2022, with the S&P 500 down approximately 9% year to date as of this writing. Our clients have been understandably concerned. One point we want to reiterate is that such pullbacks are a regular occurrence in the market. Our friends at JP Morgan were kind enough to supply us with the chart below:



The grey bars represent the return of the S&P 500 during a calendar year. The red dots show the maximum decline in the S&P 500 that occurred during that year. For instance in 2020, during the early stages of the pandemic, we had an actual bear market where the S&P 500 fell 34% during the spring. Fortunately, the index was up 16% by the end of the year. As you can see, although annual returns were positive during the majority of this period, most years had a significant downturn at some point. Looking back even further, it turns out that the S&P 500 tends to have a correction of 10% or more on average about every 18 months. As long-term investors, we encourage our clients to stay invested during these turbulent phases, because as the chart also indicates, the market's overall trajectory is up, even in years when the ride gets a bit bumpy.

If you'd like to talk more in depth on this topic or anything else, please don't hesitate to give us a call.

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