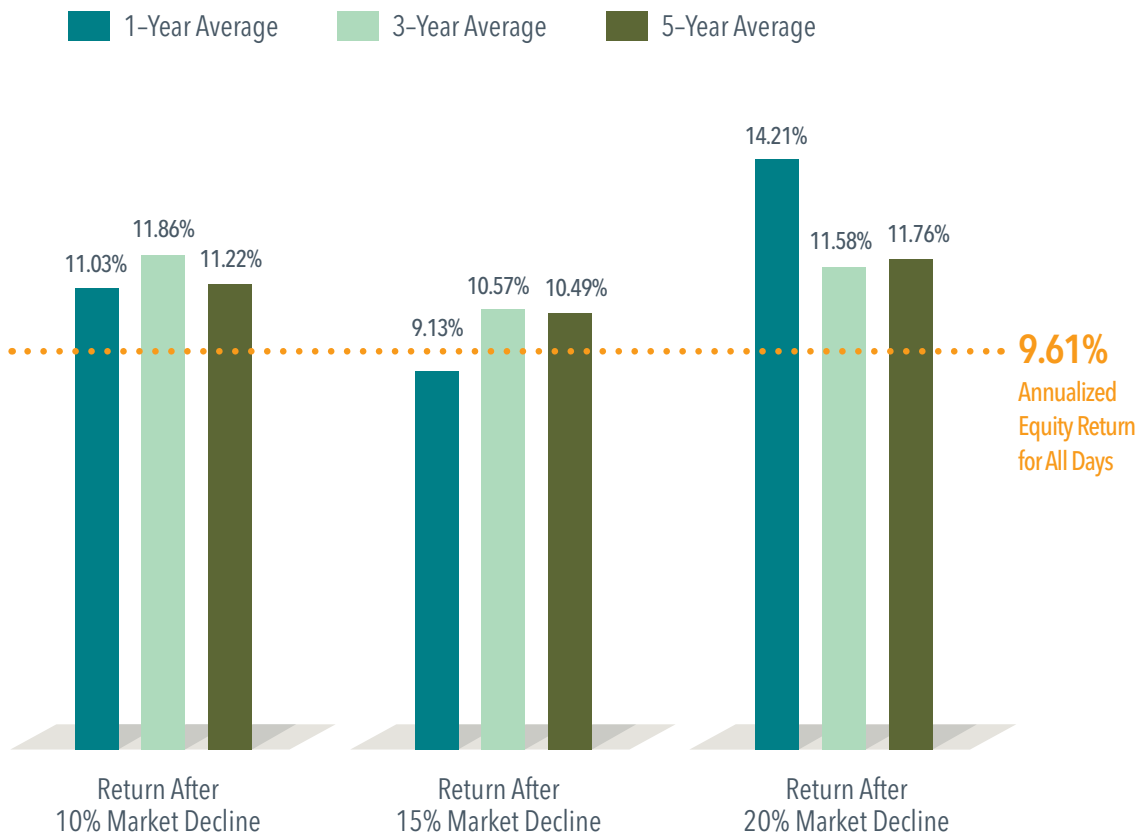


US Equity Returns Following Sharp Downturns

FAMA/FRENCH TOTAL US MARKET RESEARCH INDEX RETURNS,
July 1926–December 2019



Sudden market downturns can be unsettling. But historically, US equity returns following sharp downturns have been positive.

- A broad market index tracking data since 1926 in the US shows that stocks have generally delivered strong returns over one-year, three-year, and five-year periods following steep declines.
- Just one year from a decline of 10% or 20%, returns were higher than the long-term average of 9.6%. And the return after a 15% decline was within half a percentage point of the average.
- Looking three and five years later also shows annualized returns averaged higher than the long-term average.

Sticking with your plan helps put you in the best position to capture the recovery.

Past performance is no guarantee of future results.

Periods in which cumulative return from peak is -10%, -15%, or -20% or lower and where a recovery of 10%, 15%, or 20% from trough has not yet occurred are considered downturns. For the 10% threshold, there are 3,442 observations for 1-year look-ahead, 3,396 observations for 3-year look-ahead, and 3,345 observations for 5-year look-ahead. For the 15% threshold, there are 3,175 observations for 1-year look-ahead, 3,167 observations for 3-year look-ahead, and 3,166 observations for 5-year look-ahead. For the 20% threshold, there are 2,561 observations for 1-year look-ahead, 2,560 observations for 3-year look-ahead, and 2,560 observations for 5-year look-ahead. 1-year, 3-year, and 5-year periods are overlapping periods. The bar chart shows the average returns for the 1-, 3-, and 5-year period following market declines. Data provided by Fama/French, available at mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html. Eugene Fama and Ken French are members of the Board of Directors of the general partner of, and provide consulting services to, Dimensional Fund Advisors LP. Short-term performance results should be considered in connection with longer-term performance results. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

Investing risks include loss of principal and fluctuating value. There is no guarantee an investment strategy will be successful

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