



Volatile markets create a conundrum for investors. Not only is short-term market timing

impossible, but also—perhaps counterintuitively—the best daily returns tend to occur during the rockiest of periods.

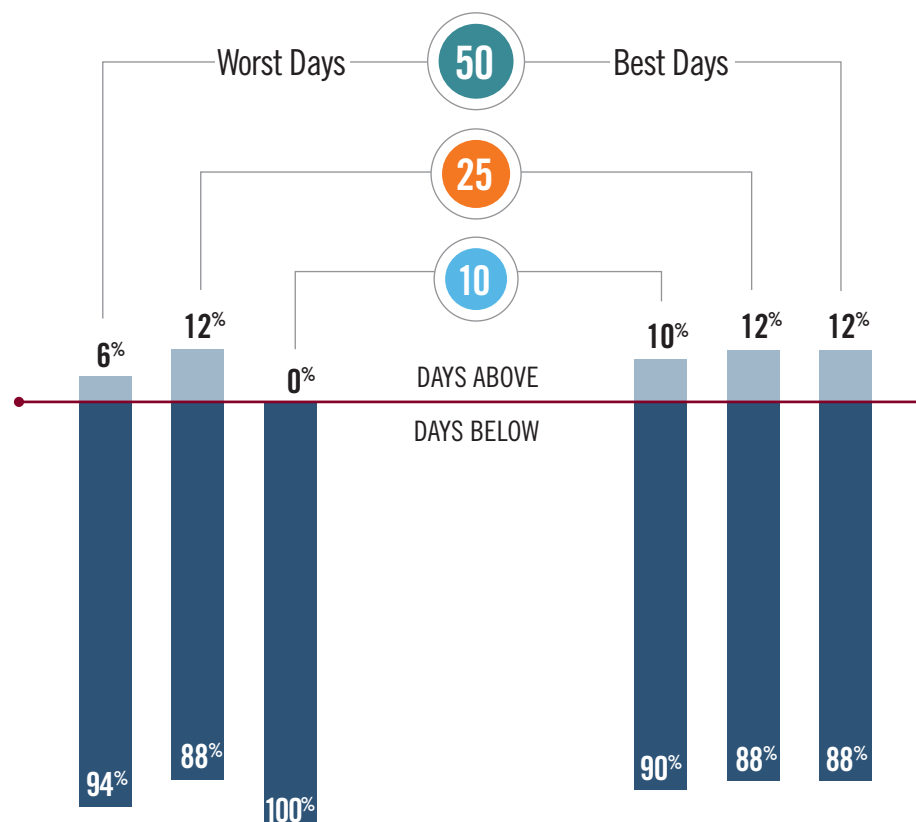
Missing those big up-days can trigger feelings of regret, which may suggest a “set it and forget it” strategy. The data actually support a different conclusion: **Step aside during more volatile times.**

Over the past 30 years, avoiding extreme performance swings produced higher returns with lower volatility.

S&P 500® Index 30-Year Performance

	All Days	Excluding Both the Best & Worst Days		
	1/2/1985–12/31/2017	10 Days	25 Days	50 Days
RETURN	8.8%	9.6%	10.0%	10.3%
VOLATILITY	17.8%	16.4%	15.7%	14.8%

S&P 500® Index 200 Day Moving Average



Periods of higher market volatility strongly tend to feature **both** the very worst and very best daily returns.

For example, 12% (6 days) of the market’s 50 best days occurred when the S&P was above its 200 day moving average, while 88% (44 days) occurred when the S&P was below its 200 day moving average.