KICKED IN THE TAILS

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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.

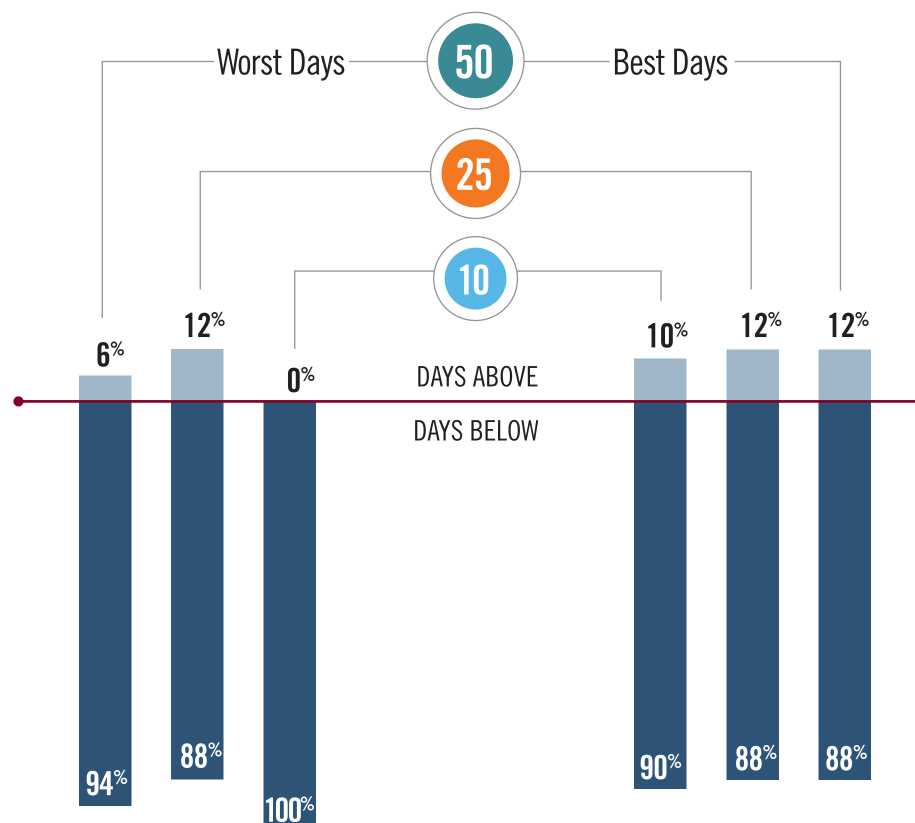
Missing those big up-days can trigger feelings of regret, which may suggest a "set it and forget it" strategy. The data actually support a different conclusion: **Step aside during more volatile times.**

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		
1/2/1985–6/30/2017		10 Days	25 Days	50 Days
RETURN	8.6%	9.4%	9.8%	10.1%
VOLATILITY	17.9%	16.5%	15.8%	14.9%

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.

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Source: Bloomberg. Total number of trading days in the period shown: 8,193.

Past performance is not indicative of future results.

The **S&P 500® Index** is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a price return basis. The index is unmanaged, its returns do not reflect any fees, expenses, or sales charges, and is not available for direct investment.

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