

Market Rebounds

The cost of missing the good days

Even though recessions and market corrections are separate and independent events, the pattern of decline and recovery are similar.

The returns after a recession or a correction have historically exceeded the long-term market average by a wide margin.

Yet missing just a few choice days in the history of the market cycle by swaying from a disciplined investment plan can make a huge **difference in the returns investors realize.** The table below illustrates the dramatic loss in performance by missing some of the best days in the market.

Getting out of the market is not the difficulty; it is the potential penalty for not choosing the right time to get back in. If an investor were to miss the best 10 days in the market over the last 20 years, their average annualized return drops from 11.82% to 9.17%. Missing the 30 best days during the same period drops the return to 5.26%, a potentially crippling blow to a retirement plan.

While no one can predict the bottom of the market, history shows that the U.S. economy is resilient, and that rebounds can take place quickly. **Missing just a few of the leading rebound days can make a significant**

The Penalty for Missing the Market

As of December 31, 2007

Investment pattern over a 20-year period	Average annual returns	Growth of \$10,000
Fully invested	11.82%	\$93,339
Miss 10 best days	9.17%	\$57,778
Miss 20 best days	7.10%	\$39,398
Miss 30 best days	5.26%	\$27,886

12/31/87 - 12/31/07

difference in the long-term performance of a portfolio. The only way to be assured of capturing all of the market upside is to remain fully invested, using a long-term investment plan with a portfolio diversified over several asset classes and investment styles.

While sticking with your investment strategy through turbulent markets can be a nerve-wracking experience, history suggests you may **benefit by hanging on.**

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