

S&P 500 Drawdown and return statistics

<u>ROR</u>	<u>Duration</u> <u>Months</u>	<u>Peak</u>	<u>Valley</u>	<u>Recov.</u> <u>Recov.</u>	<u>Total</u> <u>Months</u>
-86.03%	34	Aug-29	Jun-32	267	301
-57.59%	62	Feb-37	Apr-42	45	107
-46.28%	25	Aug-00	Sep-02	56	81
-46.18%	21	Dec-72	Sep-74	70	91
-37.47%	0	Oct-07	Oct-08	0	
-32.90%	19	Nov-68	Jun-70	23	42
-32.54%	6	Aug-32	Feb-33	3	9
-30.17%	3	Aug-87	Nov-87	20	23
-27.37%	21	May-46	Feb-48	31	52
-24.35%	14	Jan-34	Mar-35	5	19
-23.79%	20	Nov-80	Jul-82	5	25
-23.48%	6	Dec-61	Jun-62	14	20
-19.21%	2	Aug-33	Oct-33	3	5
-19.03%	17	Jul-56	Dec-57	9	26
-19.00%	14	Dec-76	Feb-78	18	32
-17.57%	8	Jan-66	Sep-66	7	15
-15.84%	5	May-90	Oct-90	4	9
-15.57%	2	Jun-98	Aug-98	3	5
-15.41%	12	Jun-48	Jun-49	6	18

Average 48.8888889

The average recovery period for the S&P, from its last peak, was 49 months. In other words history shows, we are looking at mid 2010 before the market will gets back to its October 2007 peak - or back to even. That is no real gain in your portfolio for 5 years, in fact, considering inflation you have negative growth over the period.

From 1930 - 2007 the avg annual return for the SP 500 is 7.4%.
 From 1950 - 2007 the avg annual return for the SP 500 is 9.25%.
 From 1970 - 2007 the avg annual return for the SP 500 is 8.80%