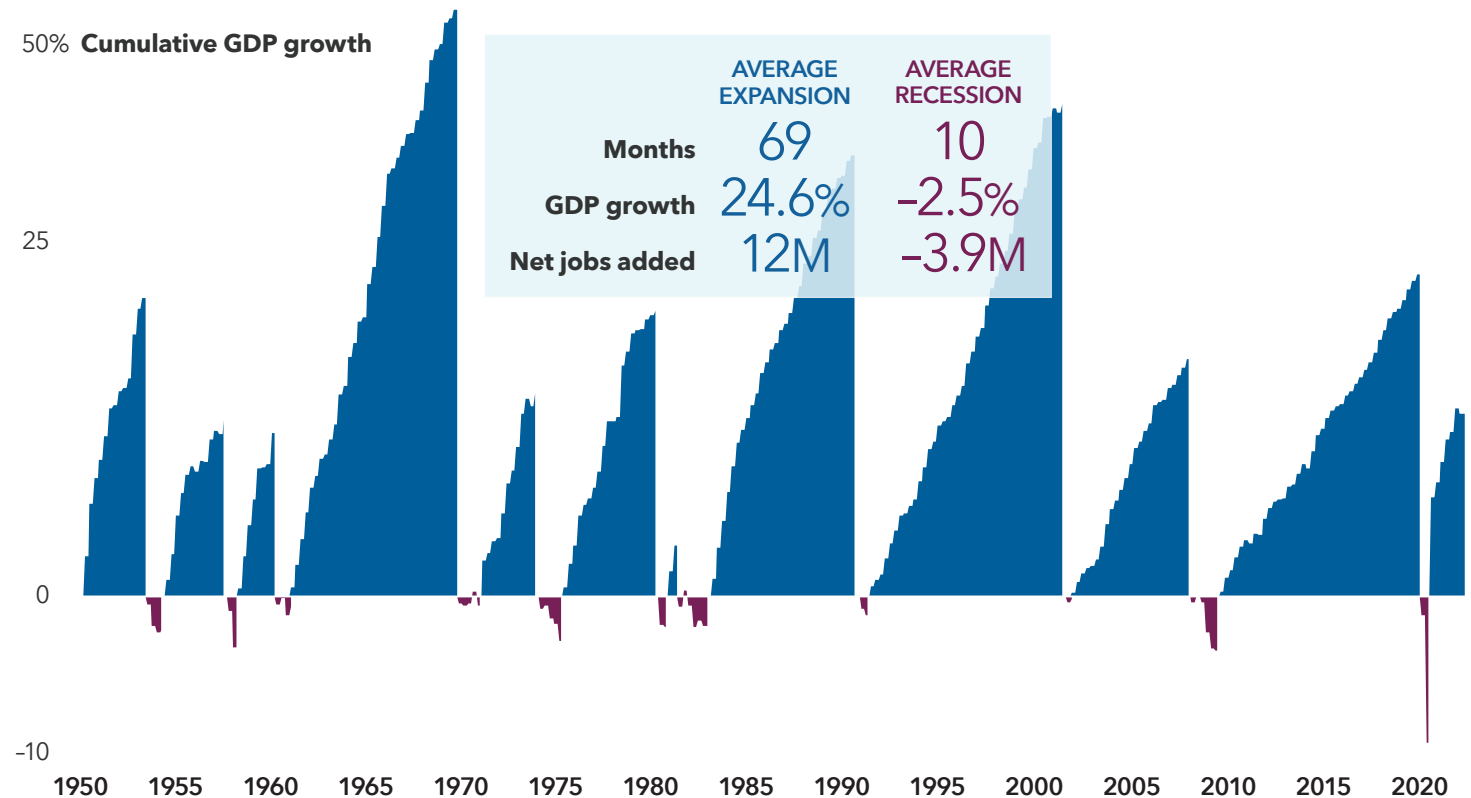


How long do recessions and bear markets last?

Recessions have been relatively small blips in economic history

- Over the last 70 years, the U.S. has been in an official recession less than 15% of all months.
- Moreover, the net longer term economic impact of most recessions has been relatively small.

Recessions are painful, but expansions have been powerful



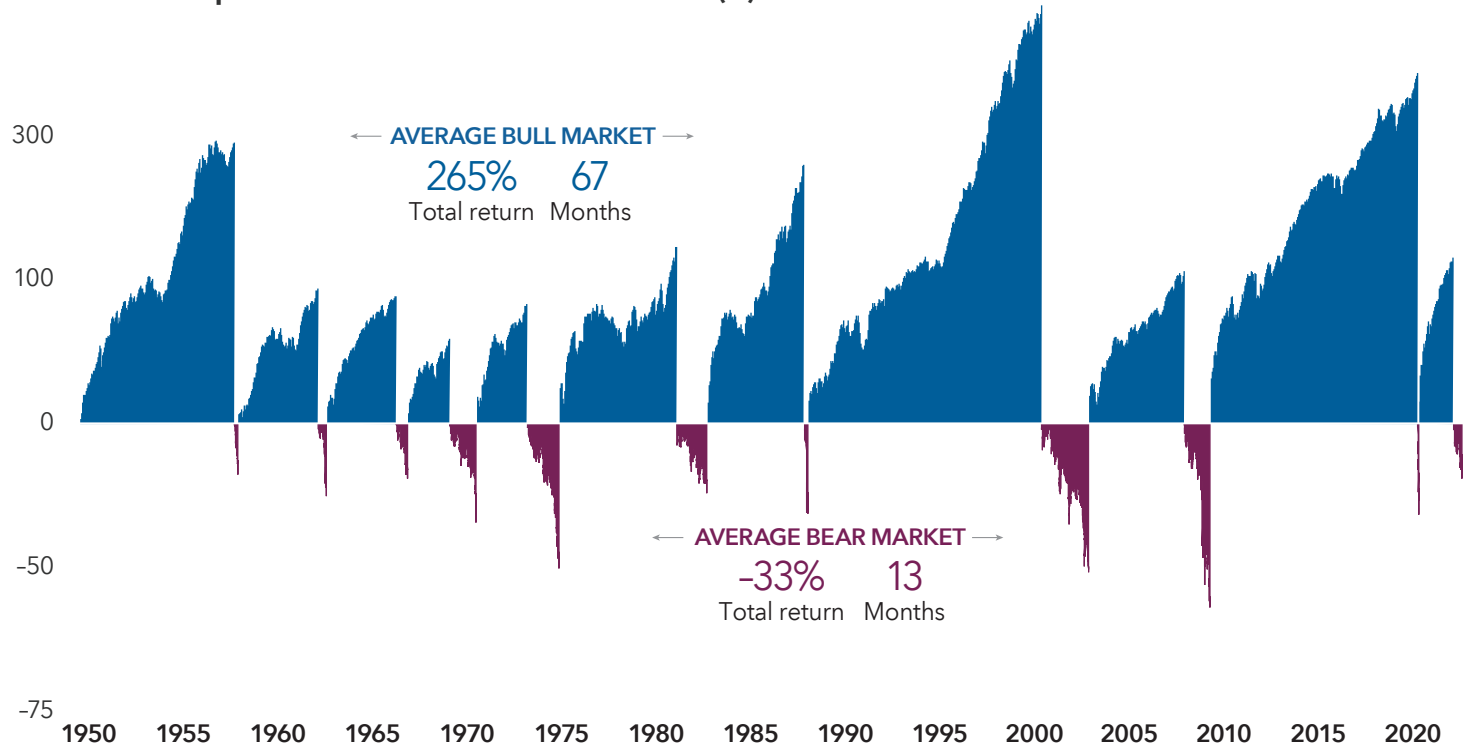
Sources: Capital Group, National Bureau of Economic Research (NBER), Refinitiv Datastream. Chart data is latest available as of 5/31/22 and shown on a logarithmic scale. The expansion that began in 2020 is still considered current as of 5/31/22, and is not included in the average expansion summary statistics. Since NBER announces recession start and end months, rather than exact dates, we have used month-end dates as a proxy for calculations of jobs added. Nearest quarter-end values used for GDP growth rates.

Don't fear the bear

- Over the last 70 years, bear markets have been relatively short with limited losses when compared to the powerful bull markets that have followed.
- Aggressive market-timing moves during a downturn, such as shifting an entire portfolio into cash, can backfire.

Bear markets have been relatively short compared to bull markets

700 **Cumulative price return for each bull and bear market (%)**



Sources: Capital Group, RIMES, Standard & Poor's. As of 6/15/22. The bear market that began on 1/3/22 is considered current and is not included in the "average bear market" calculations. Bear markets are peak-to-trough price declines of 20% or more in the S&P 500. Bull markets are all other periods. Returns are in USD and shown on a logarithmic scale.

S&P 500 Index is a market capitalization-weighted index based on the results of approximately 500 widely held common stocks, and its results include reinvested dividends and/or distributions but do not reflect the effect of sales charges, commissions, account fees, expenses or income taxes. The market index is unmanaged and, therefore, has no expenses. Investors cannot invest directly in an index. The S&P 500 is a product of S&P Dow Jones Indices LLC and/or its affiliates and has been licensed for use by Capital Group. Copyright © 2022 S&P Dow Jones Indices LLC, a division of S&P Global, and/or its affiliates. All rights reserved. Redistribution or reproduction in whole or in part is prohibited without written permission of S&P Dow Jones Indices LLC.

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