

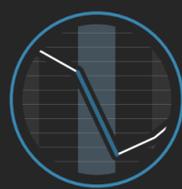
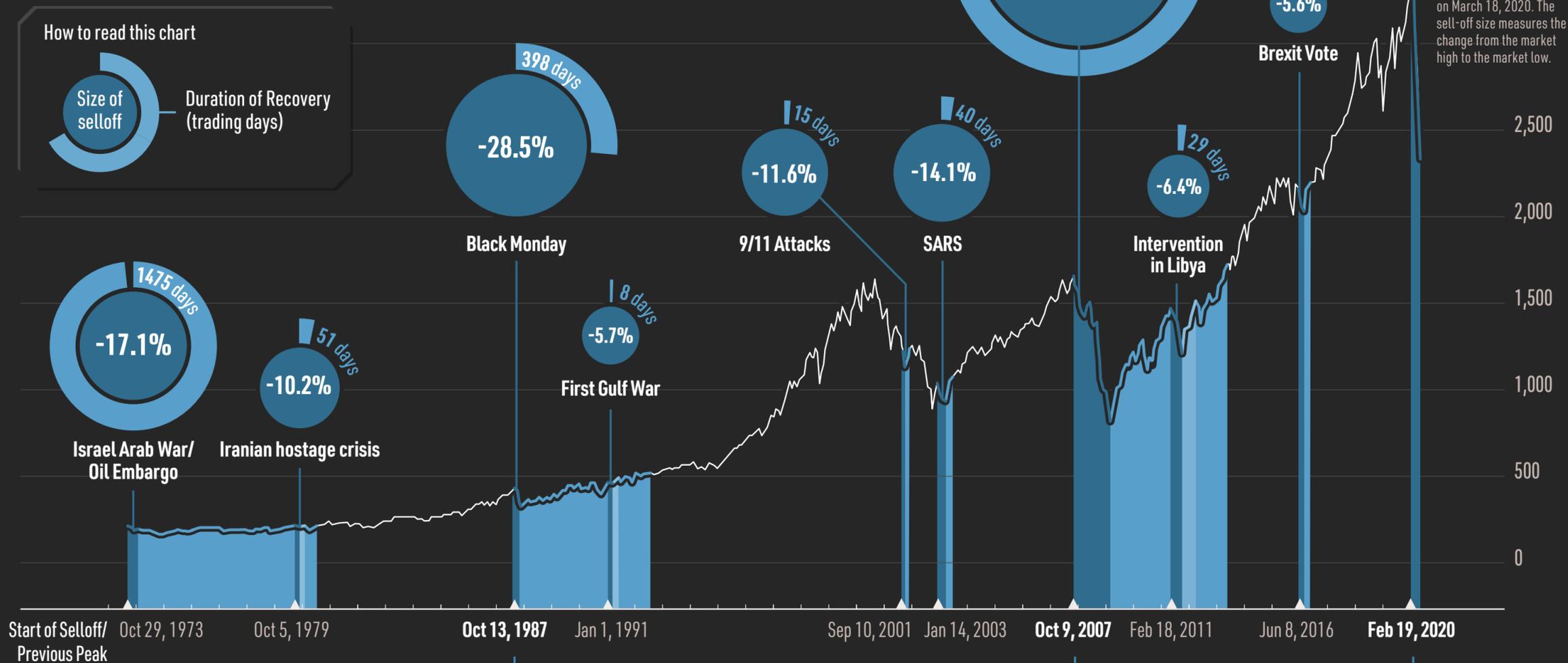
BLACK SWAN EVENTS

SHORT-TERM CRISIS, LONG-TERM OPPORTUNITY

Rare, unexpected events—known as Black Swans—can have severe consequences in the stock market. Below, we compare several historical events, charting their downturn and length of recovery.

S&P 500 Performance (October 1, 1973 to March 18, 2020)

SOURCE: HAVER, DEUTSCHE BANK VIA ZEROHEDGE (SEP 2017), YAHOO FINANCE (MAR 2020)



BLACK MONDAY

On October 19, 1987, the S&P 500 dropped over 20%, the largest one-day loss in its history.

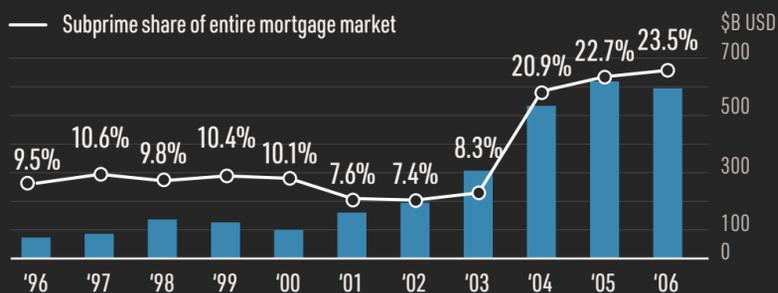


High stock valuations, and portfolio insurance that spurred excessive risk-taking, have both been cited as potential causes of the crash.

SOURCE: S&P GLOBAL (MAR 2020), INVESTOPEDIA (MAR 2019)

GLOBAL FINANCIAL CRISIS

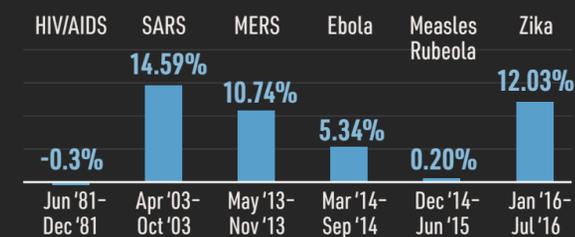
A significant rise in subprime loans—loans provided to riskier borrowers—was a main catalyst of the financial crisis.



COVID-19

Wall Street's reaction to epidemics has historically been short-lived, with the S&P 500 seeing 6-month gains in most cases.

% change calculated based on end-of-month performance



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