



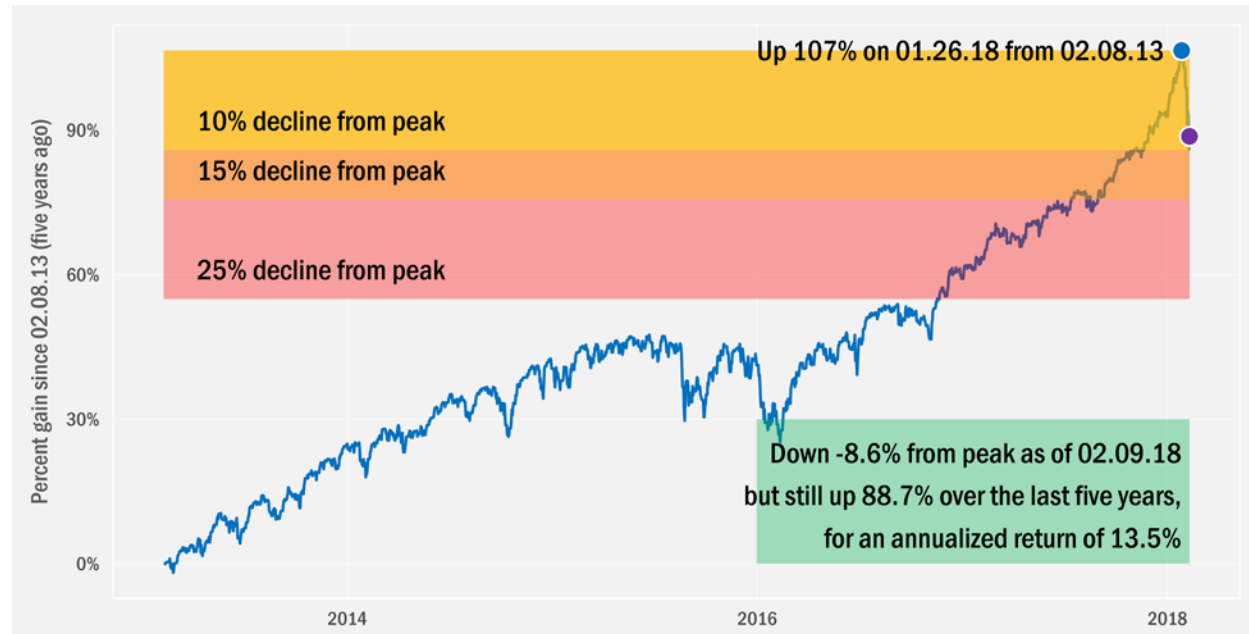
## Market Update: February 9, 2018

### SOME PERSPECTIVE

We hesitate to delve too deeply into recent market declines, as we never wish to suggest by word or action that we are freaking out in any way. Still, we were wondering what the plunge looked like when plotted with against a longer history of market returns. The shift downward may have been a bit abrupt, and the daily throes are certainly out of the ordinary relative to the tranquility of the past few years. But, such market action is neither thematically, nor observably unprecedented. If the, “we’ve been here before,” narrative is insufficient, perhaps a bit of medium-term review of, “how far we’ve come” may be helpful perspective.

In Figure 1, we show the impact of the decline from the market peak earlier in the year. As of the close on February 9, the Russell 3000 Index was down 8.6% from the peak set on January 26. Even with that drop, however, which has left the index down 2.1% year to date, the index remains up 15.6% year-over-year, and up an annualized 13.5% for the past five years. The tally remains a bit higher than the long-term annualized average annualized gain of 12.1% for the index since end of 1978.

**Figure 1: Russell 3000 Index, Five-Year Total Return**



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