

# A Manual For Navigating Market Volatility



James H. Lee, CFA®, CMT®, CFP®

**Data as of: 1/9/2026**

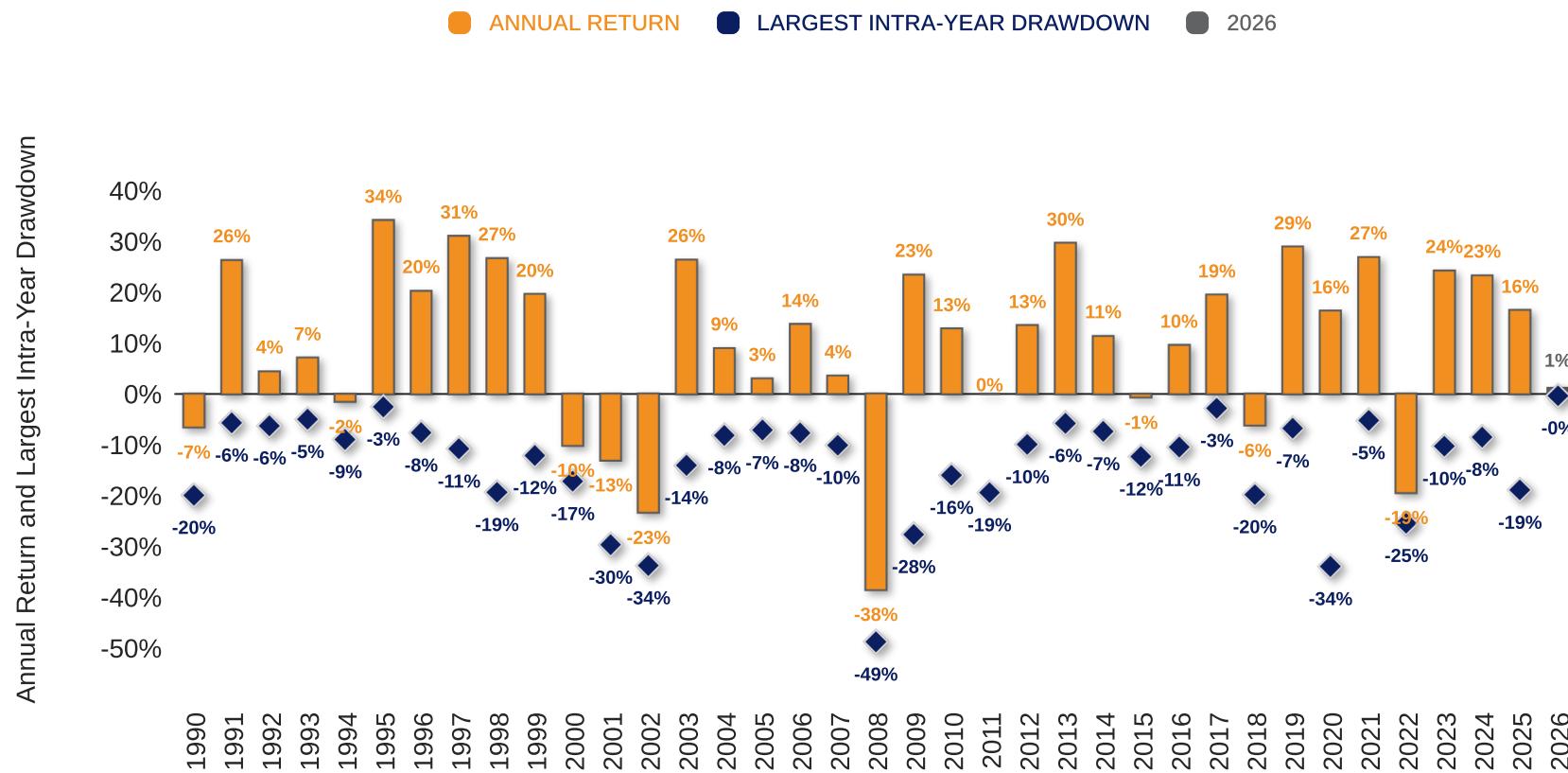


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# Volatility in Stocks is Historically Normal In All Years

## S&P 500 Annual Returns with Largest Intra-Year Drawdowns

Since 1990. 2026 is year-to-date.



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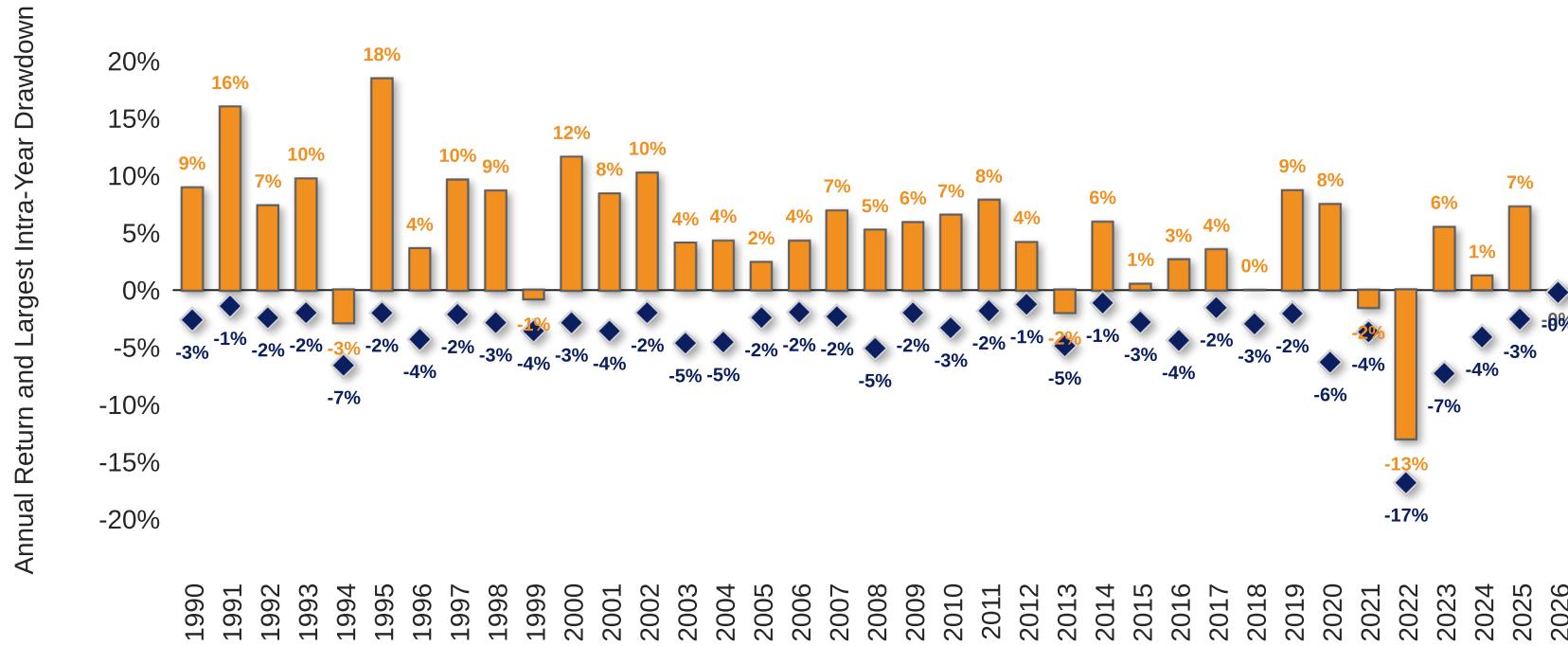
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# Volatility in Bonds is Historically Normal In All Years

## U.S. Bloomberg Aggregate Bond Index Annual Returns with Largest Intra-Year Drawdowns

Since 1990. 2026 is year-to-date.

ANNUAL RETURN    LARGEST INTRA-YEAR DRAWDOWN    2026



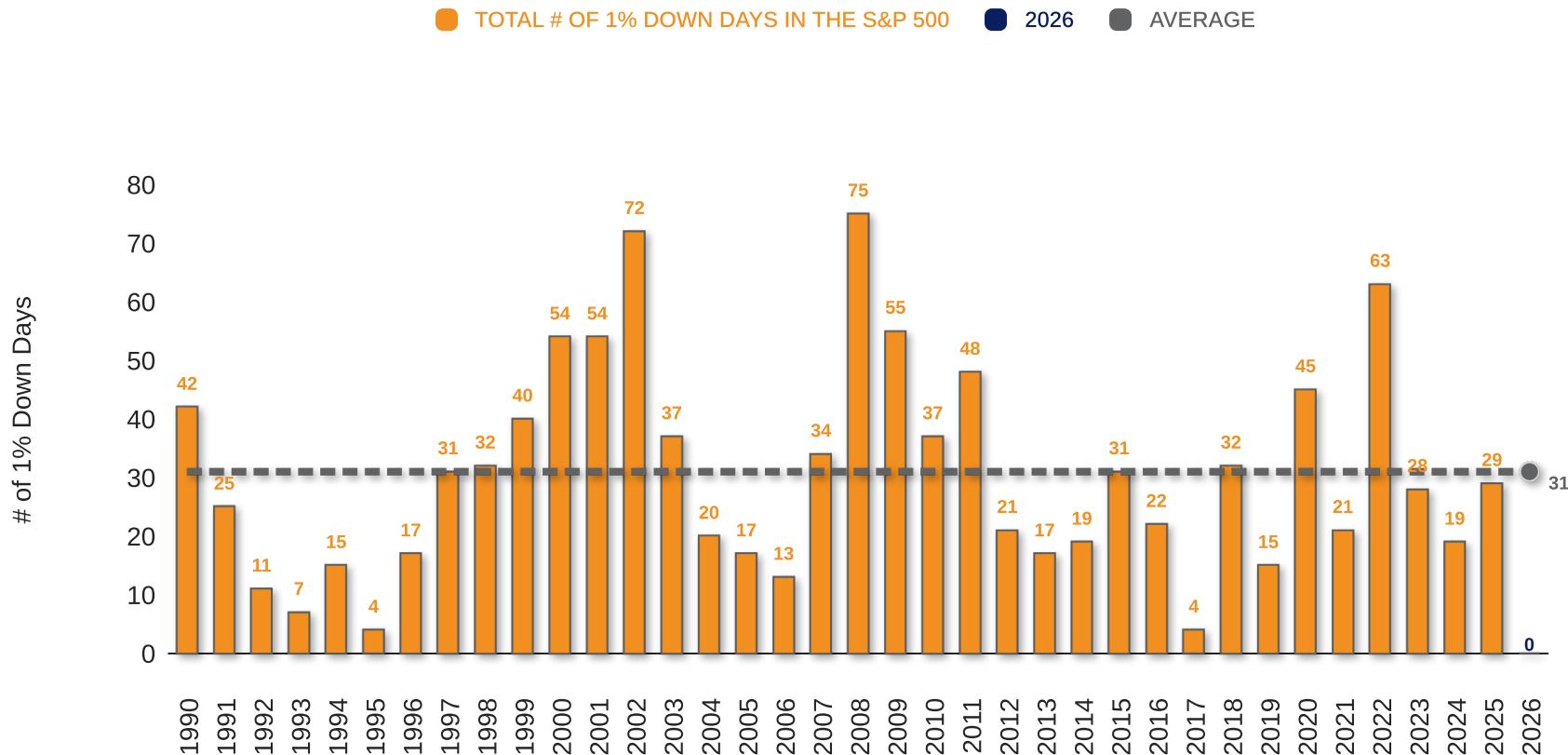
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# It's Historically Normal For Large Down Days To Happen

## Total # of 1% Down Days in the S&P 500 By Year and Average

Since 1990. 2026 is Year-to-Date.



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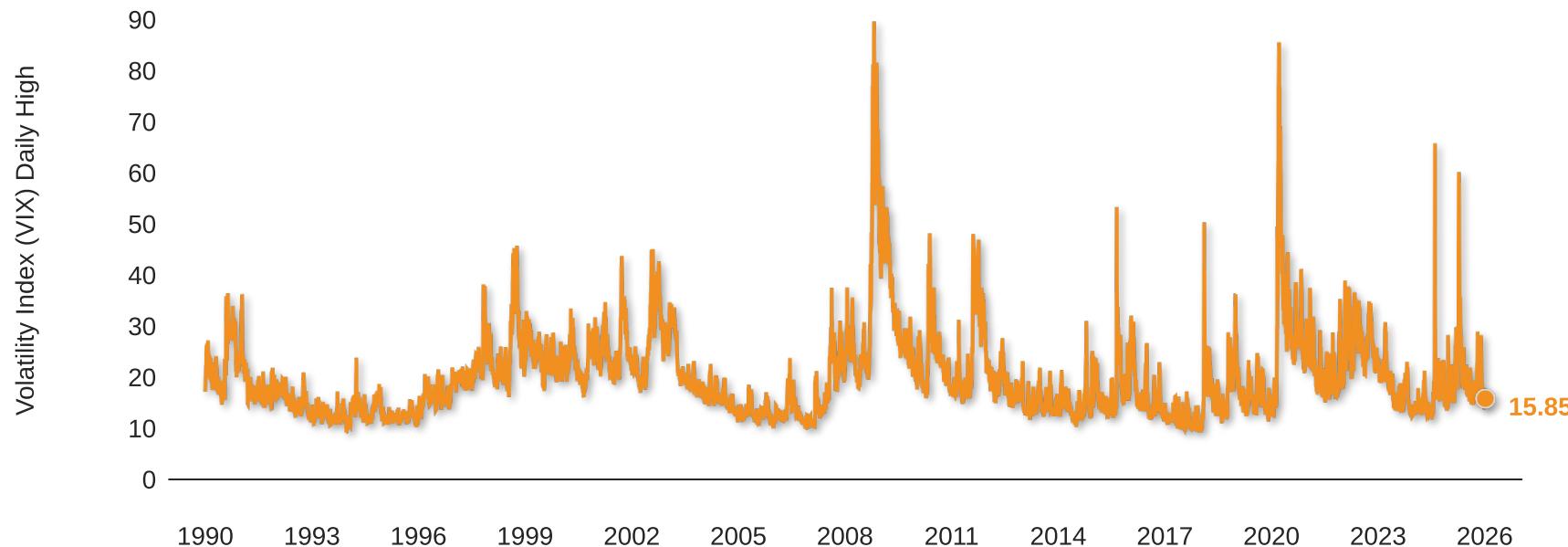
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# A Long-Term View of Stock Volatility

## Volatility Index (VIX) Daily High

Since 1990

● VOLATILITY INDEX (VIX) DAILY HIGH



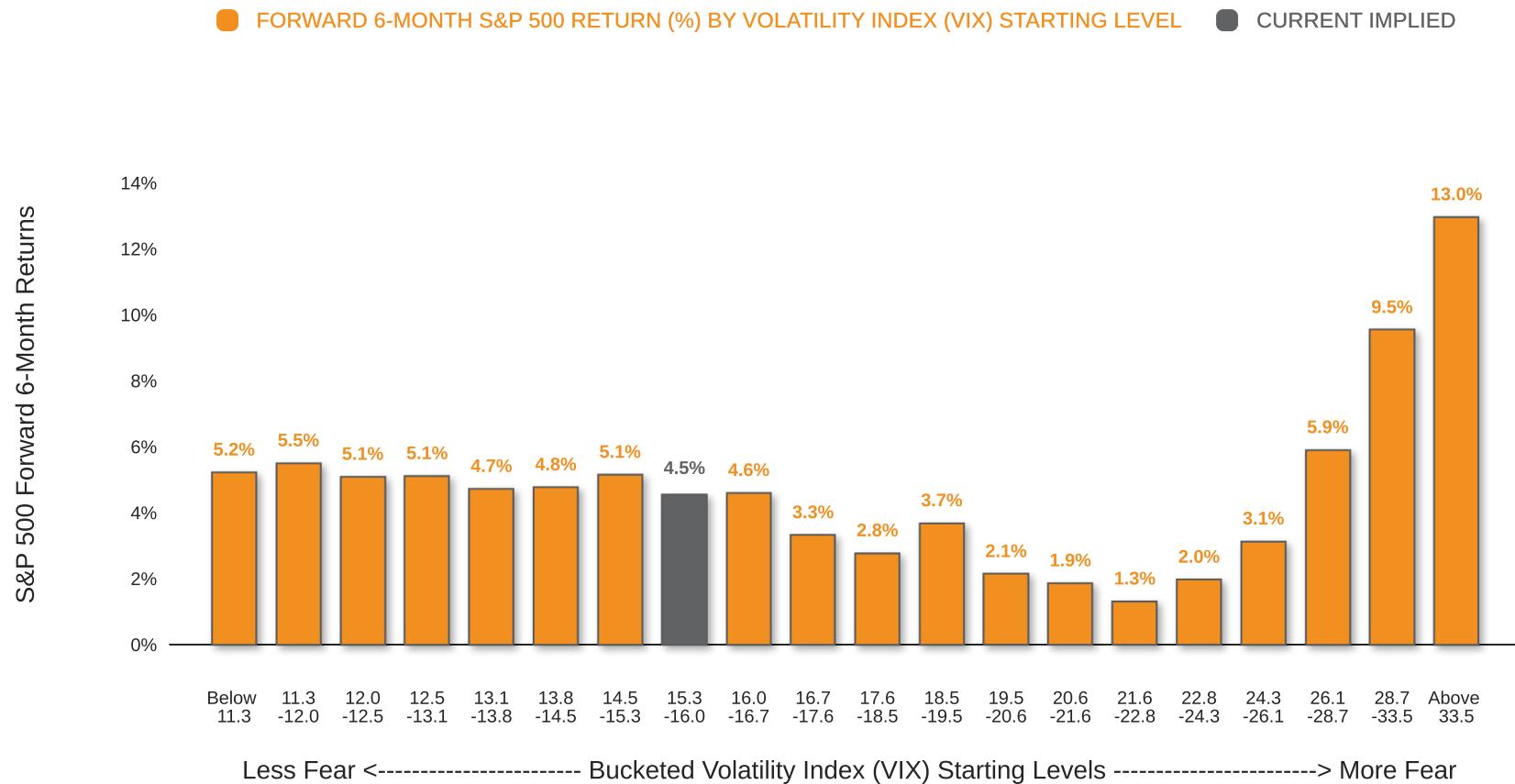
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# The Impact of Fear on S&P 500 Forward Returns

## Forward 6-Month S&P 500 Return (%) by Volatility Index (VIX) Starting Level

Since 1990



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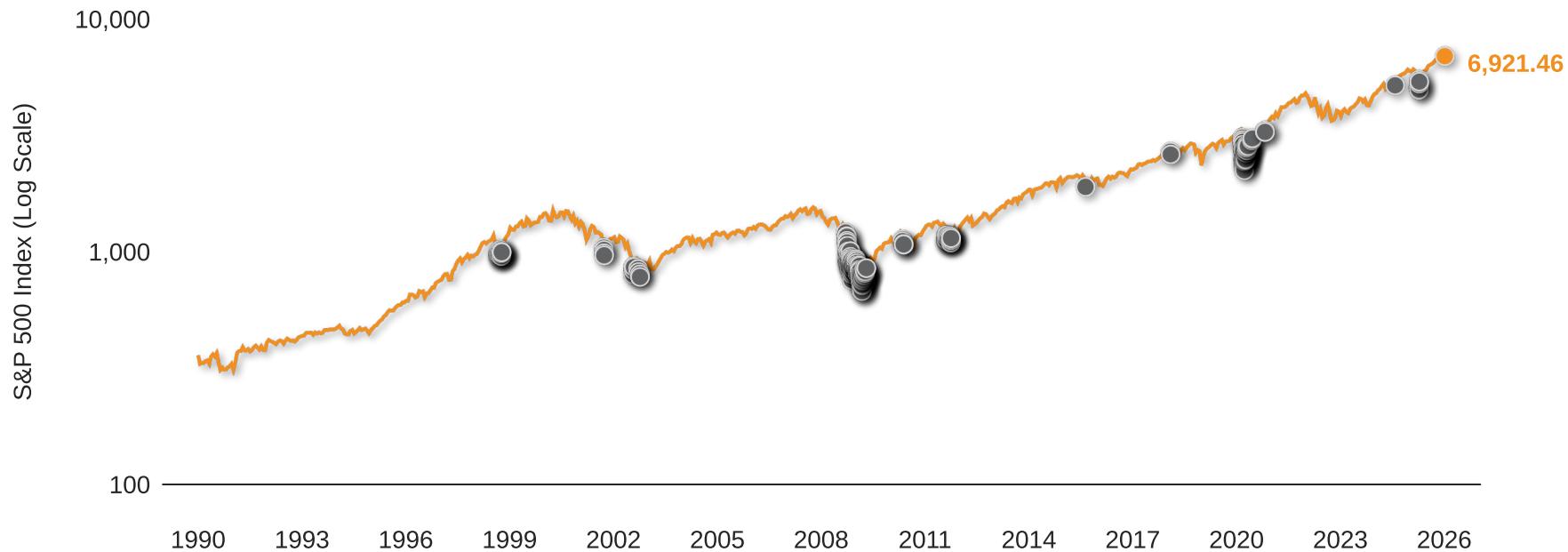
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# Historically, VIX>40 Often Occurred Near S&P 500 Turns

S&P 500 with Dots when the Volatility Index (VIX) Spikes Above 40

Since 1990

■ S&P 500    ■ DAYS WHERE VIX SPIKED ABOVE 40



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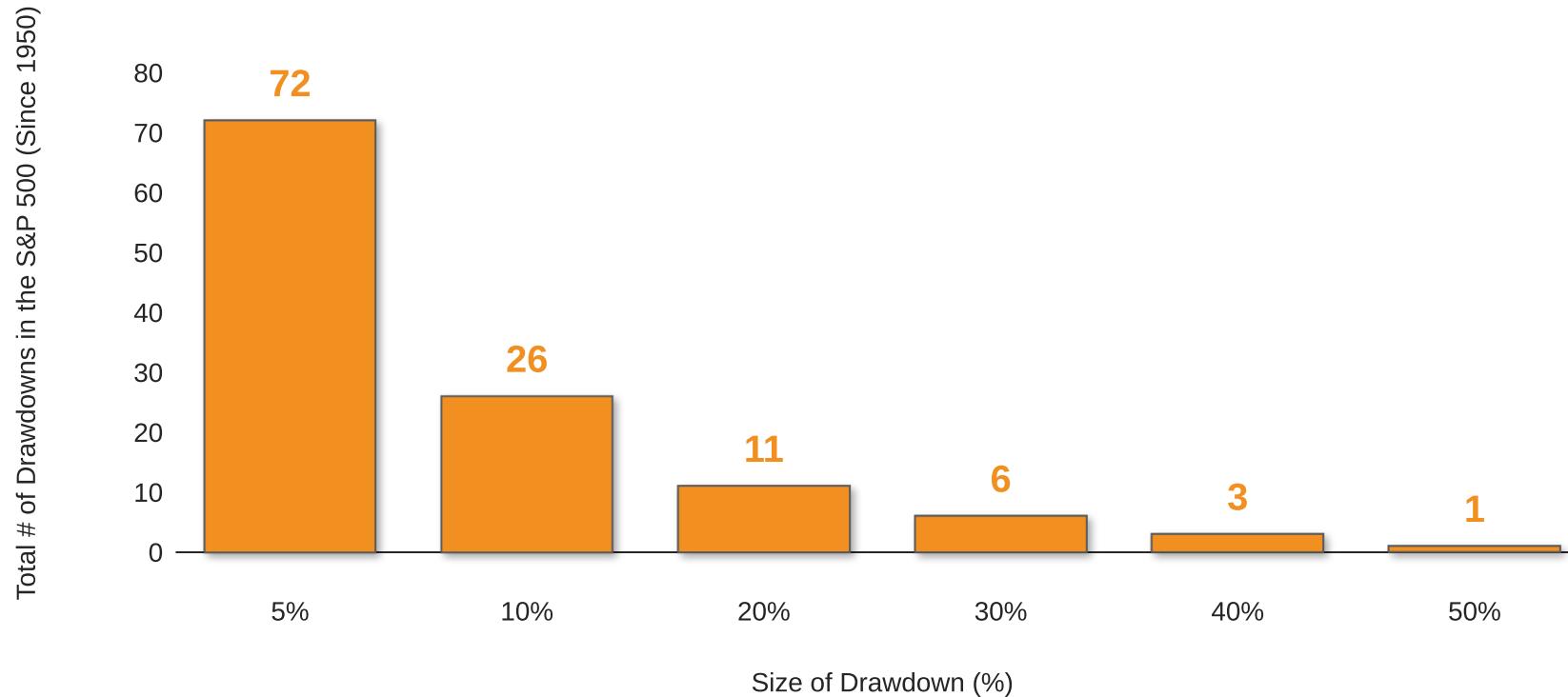
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# Volatility is a Part of Investing

Total # of 5%, 10%, 20%, 30%, 40%, 50% Drawdowns in the S&P 500

Since 1950

● TOTAL # OF DRAWDOWNS (SINCE 1950)



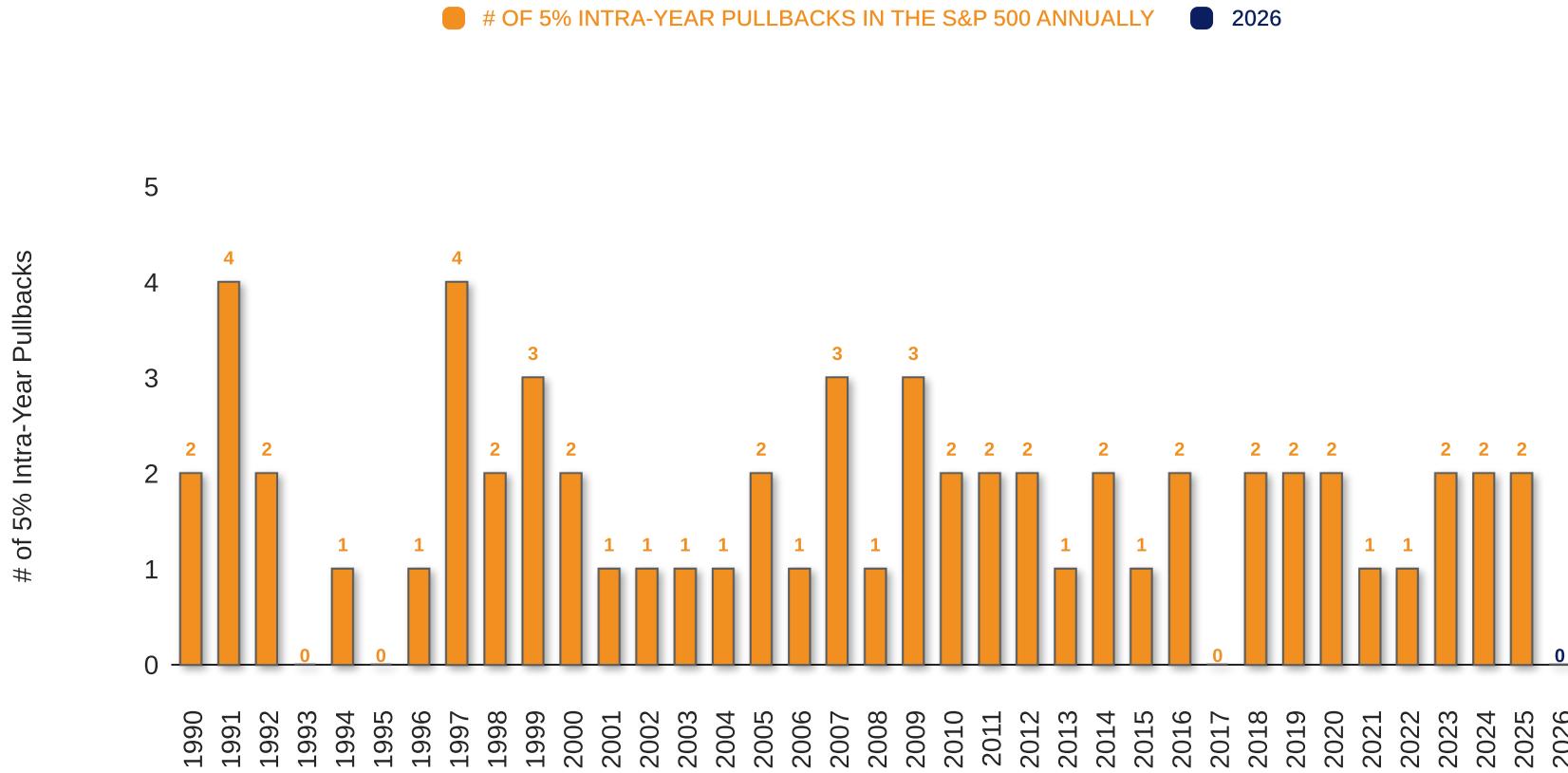
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# 5% intra-year pullbacks have been historically common

# of 5% Intra-Year Pullbacks in the S&P 500 annually

Since 1990. 2026 is year to-date.



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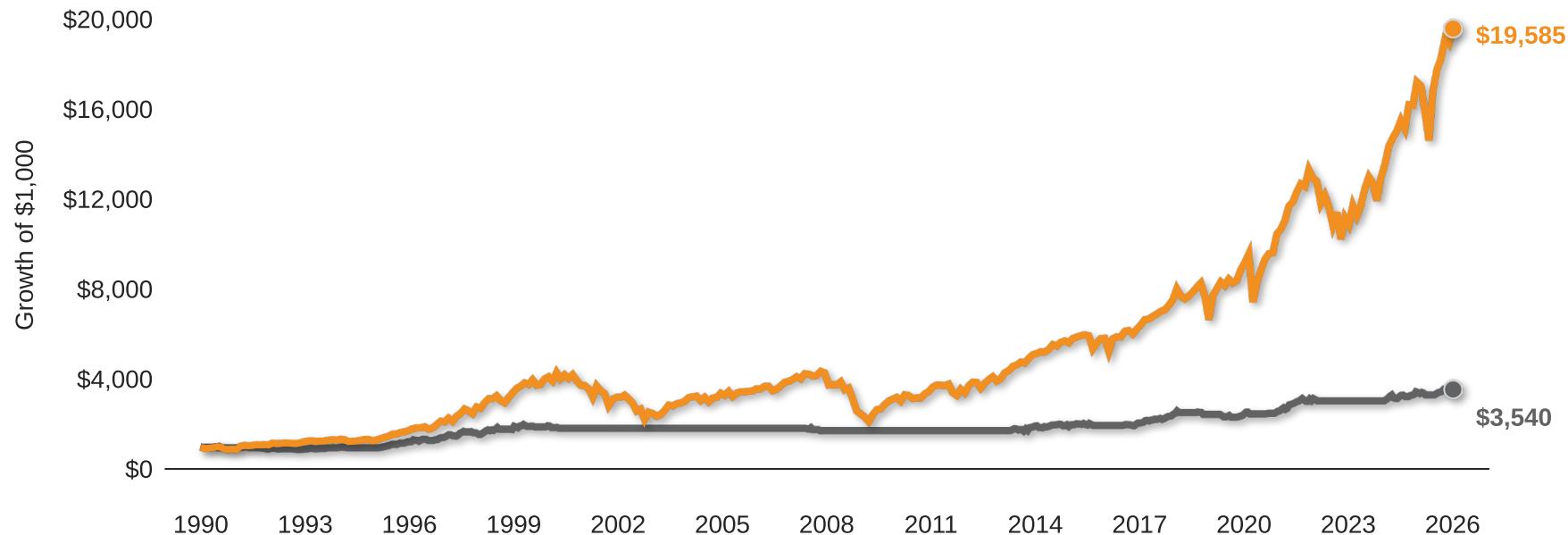
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# The Impact of Bad Investing Behavior

Growth of \$1,000 in the S&P 500 selling every 5% pullback and buying back in at the next all-time-high

Since 1990

● GROWTH OF \$1,000 STAYING INVESTED    ● GROWTH OF \$1,000 SELLING EVERY 5% PULLBACK AND BUYING BACK AT NEXT HIGH



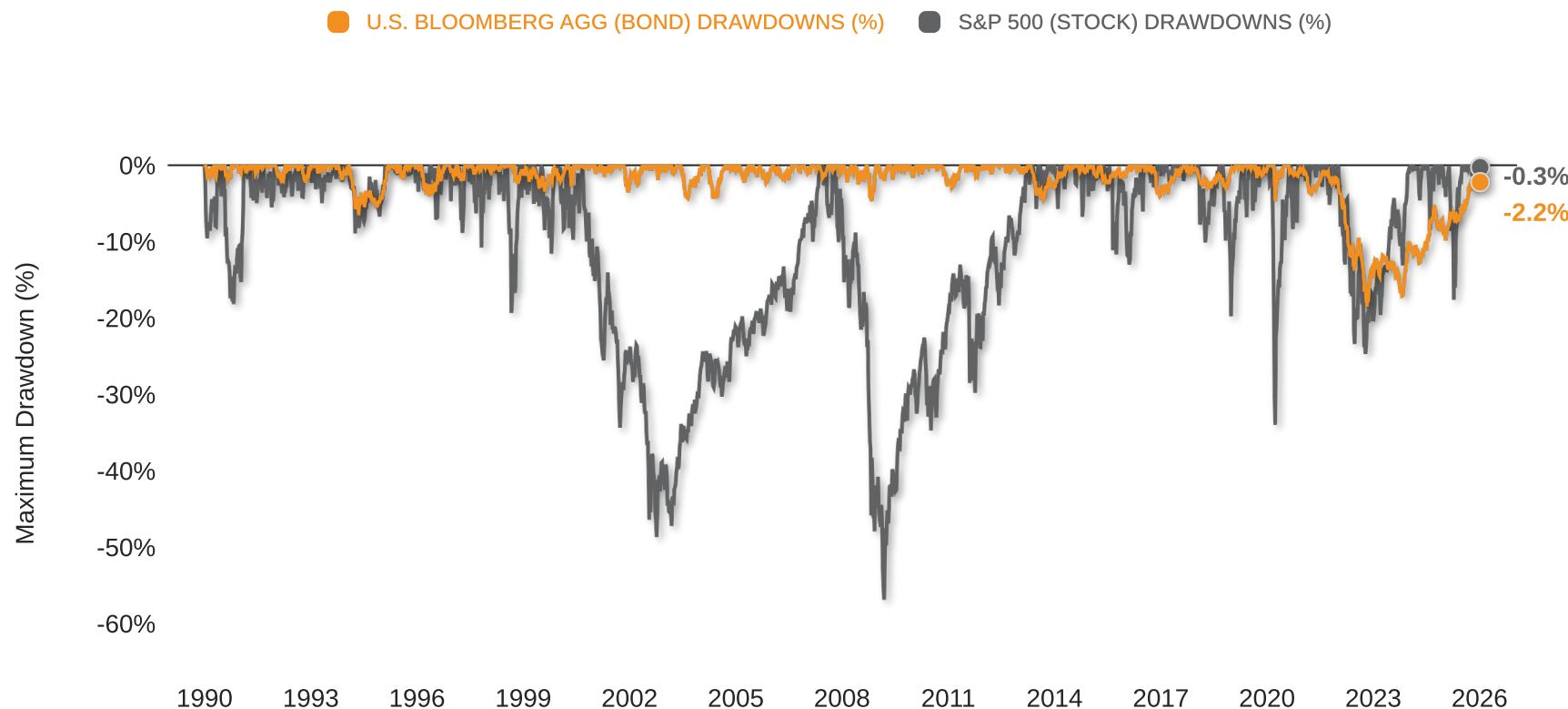
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# Bond vs Stock Historical Drawdowns

## Maximum Drawdown of U.S. Bloomberg Aggregate Bond Index (Bonds) vs S&P 500 (Stocks)

Since 1990



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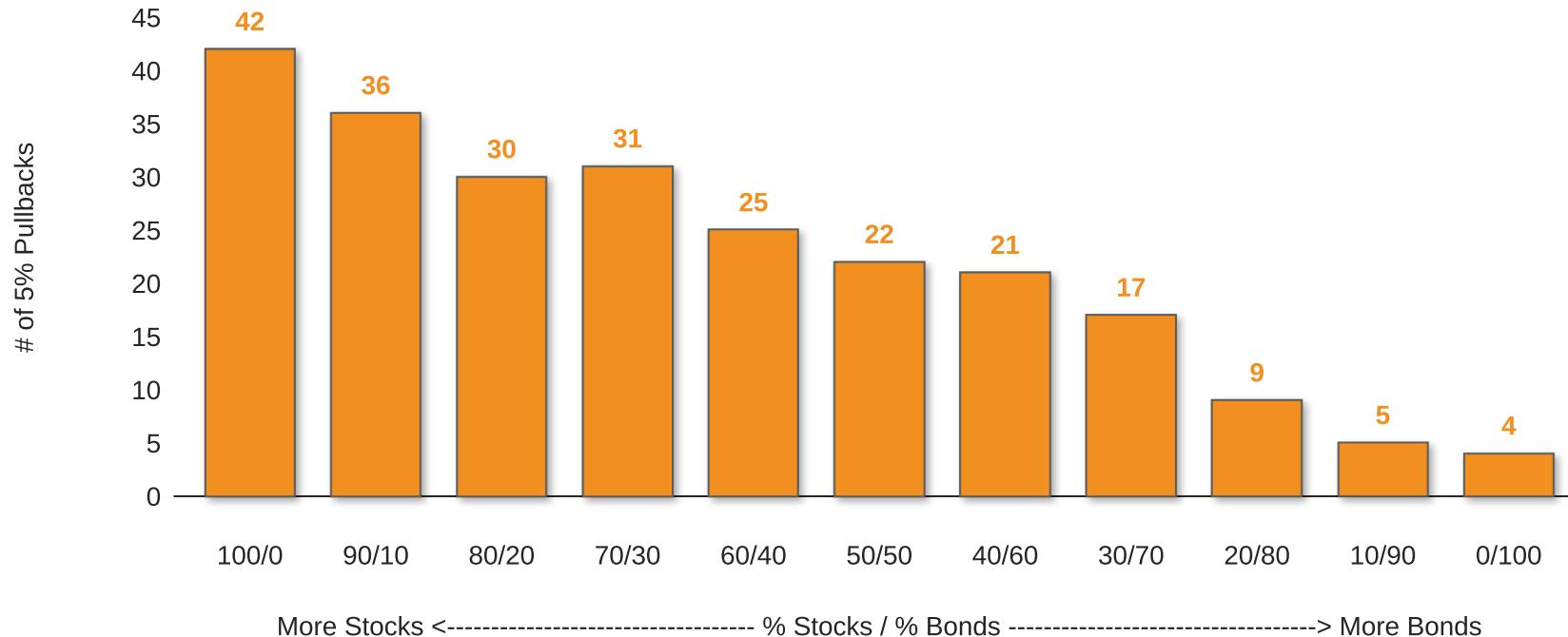
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# # of 5% Pullbacks by Different Stock / Bond Splits

# of 5% Pullbacks by different Stock (S&P 500) / Bond (U.S. Bloomberg Agg) Splits

Since 1990

● # OF 5% PULLBACKS BY DIFFERENT STOCK (S&P 500) / BOND (U.S. BLOOMBERG AGG) SPLITS



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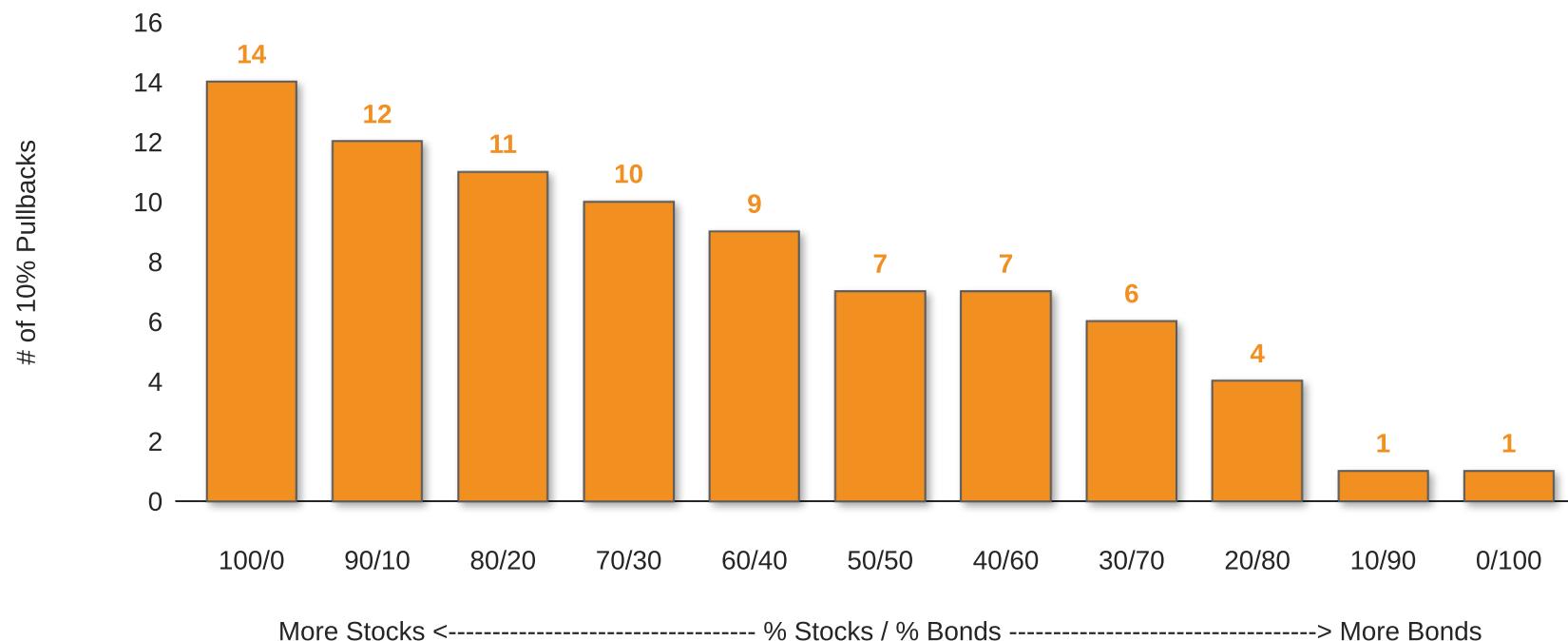
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# # of 10% Pullbacks by Different Stock / Bond Splits

# of 10% Pullbacks by different Stock (S&P 500) / Bond (U.S. Bloomberg Agg) Splits

Since 1990

● # OF 10% PULLBACKS BY DIFFERENT STOCK (S&P 500) / BOND (U.S. BLOOMBERG AGG) SPLITS



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## Definitions

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The S&P 500 tracks the performance of 500 large-cap U.S. companies, serving as a benchmark for the U.S. stock market. The index is weighted by market capitalization.

The Largest Intra-Year Drawdown measures the largest decline in the value of an investment, calculated as the difference between the peak and the trough before the investment reaches a new high within a specified period of time.

The U.S. Bloomberg Aggregate Bond Index measures the performance of the U.S. investment-grade bond market, including government, corporate, and mortgage-backed securities, reflecting overall bond market performance.

The Volatility Index (VIX) is a measurement of expected market volatility based on S&P 500 index options. Often referred to as the "fear gauge," it reflects investor uncertainty and market risk.

The maximum drawdown measures the largest decline in the value of an investment, calculated as the difference between the peak and the trough before the investment reaches a new high within a specified period of time.

A 5% Intra-Year Pullback refers to a price decline of 5% or more in an index from its peak during a given year.

A 5% Pullback refers to a price decline of 5% from its recent peak price.

A 10% Pullback refers to a price decline of 10% from its recent peak price.

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