Patience and perseverance should pay off in the long term. They have in the past, although that does not guarantee future results.

It’s important that all investors remember the lessons learned over the last 100 years. —Not the last 5 years— of the stock market.

One key lesson is that bear markets don’t last forever.

According to Standard and Poor’s, the average bear market since World War II, saw a decline of 28.5% and lasted 13 months.
INVESTING IN THE STOCK MARKET NEEDS PATIENCE

- Perseverance requires a bit more work than patience alone, as research and vigilance are needed to make sure stock selections meet your objectives.

- Periodically, shocking events rock securities markets.

Here is how a few of those prior shock events have affected Wall Street in the past:

- **Operation Desert Shield/Storm—January 1991:**
  - Dow Jones Industrial Average fell 5.5% in the first 10 trading sessions
  - A month later (by February 15, 1991) the DJIA had surged +17.8%
INVESTING IN THE STOCK MARKET
NEEDS PATIENCE

- **Assassination of President Kennedy—November 22, 1963**
  
  - DJIA promptly dropped 2.8% before the NYSE closed early Tuesday November 26, 1963, the Dow jumped +4.5%—recouping all of Friday’s loss and then some.
  
  - Less than a month later (by December 22, 1963), the Dow was up +7.1%

- **Cuban Missile Crisis—October 1962**
  
  - DJIA lost a total of 5.4% since October 15
  - A month later (by December 22, 1962) the Dow was up 12.1%

- **Pearl Harbor—December 7, 1941**
  
  - By December 9, 1941, the market (DJIA) lost –6.4% total
  - A month later the Dow had recouped by +4.3% or two thirds of its loss.

- **World War I-1914**
  
  - The Dow dropped 10.3% in the last week of July 1914
  - When the market reopened on December 12, the Dow finished the first day 4.4% higher than where it had closed. By April 1915, the market was hitting new highs.
INVESTING IN THE STOCK MARKET
NEEDS PATIENCE

- Stocks hit bottom after September 11; hope reigns now.
  Performance of all three major U.S. stocks indexes since Sept. 11 has been stellar

  - The Dow, Nasdaq composite and Standard & Poor’s 500 are all well above their pre-September 11 closes.

  - Since plunging to new lows on Sept. 21 the Dow has rallied 2,337 points, or 28.4% to 10,572. The Nasdaq has shot up even more, rebounding 35.6%. The S&P 500, perhaps the best gauge of the health of the overall market, is up to 20.6% from its low.

INVESTING IN THE STOCK MARKET
NEEDS PATIENCE

- Jump in the With the Bulls

- Missing out on the beginning of a bull market can be costly when you consider the big gains in the Standard & Poor’s 500 index in the early stage of past bull runs.
INVESTING IN THE STOCK MARKET
NEEDS PATIENCE

<table>
<thead>
<tr>
<th>Bear market</th>
<th>3 m. Later</th>
<th>6 m. later</th>
<th>1 year later</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 26, 1970</td>
<td>17.1%</td>
<td>22.8%</td>
<td>43.7%</td>
</tr>
<tr>
<td>Oct. 3, 1974</td>
<td>12.8%</td>
<td>29.9%</td>
<td>38.0%</td>
</tr>
<tr>
<td>March 6, 1978</td>
<td>15.0%</td>
<td>20.2%</td>
<td>12.6%</td>
</tr>
<tr>
<td>Aug. 12, 1982</td>
<td>38.4%</td>
<td>44.1%</td>
<td>58.3%</td>
</tr>
<tr>
<td>Dec. 4, 1987</td>
<td>19.4%</td>
<td>17.1%</td>
<td>21.4%</td>
</tr>
<tr>
<td>Oct 11, 1990</td>
<td>6.5%</td>
<td>28.7%</td>
<td>29.1%</td>
</tr>
<tr>
<td>Aug 31, 1998</td>
<td>21.6%</td>
<td>28.0%</td>
<td>37.9%</td>
</tr>
<tr>
<td>Sept. 21, 2001</td>
<td>18.5%</td>
<td>20.6%</td>
<td></td>
</tr>
</tbody>
</table>

That puts all three indexes in bull market territory, defined as a 20% rise from a low.