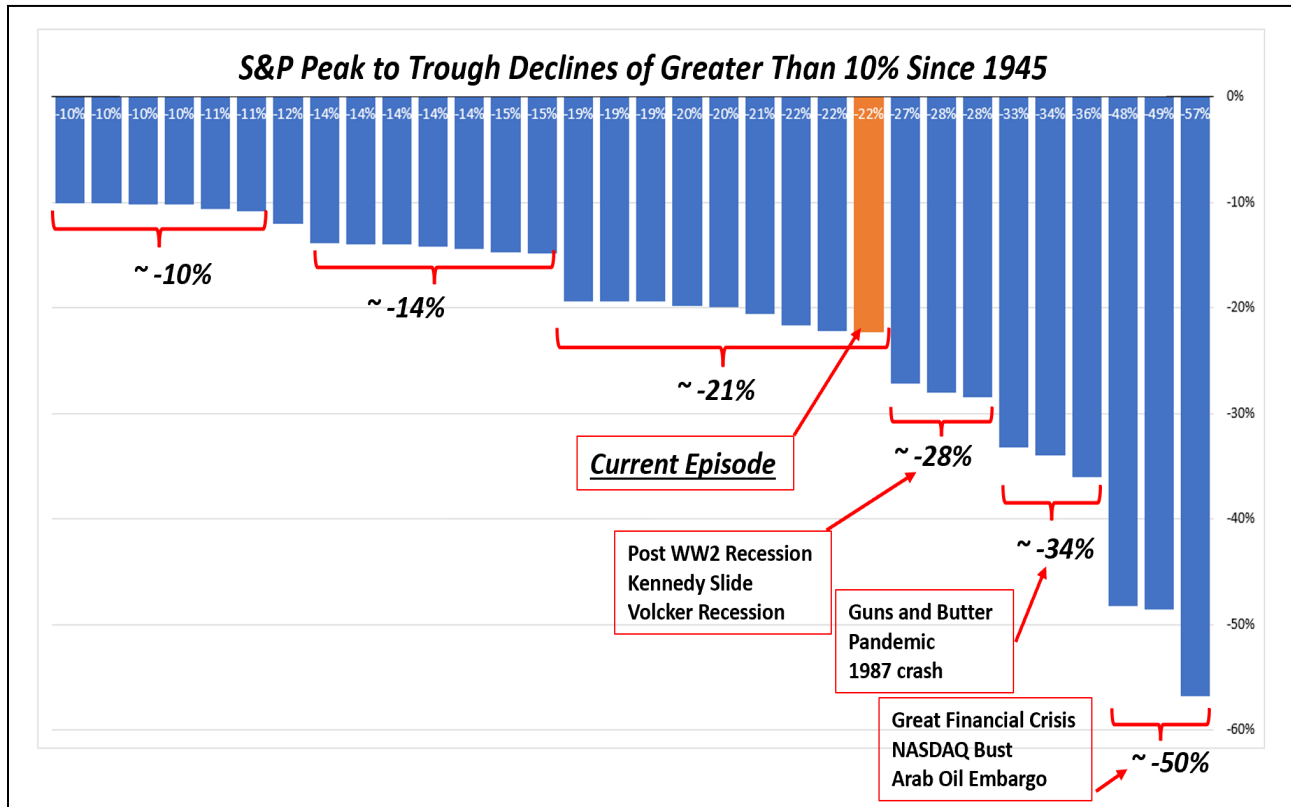


Sizing up Bears- 1945 to Present



Source: Bloomberg and Todd Asset Management

- The chart above sizes up all the S&P 500 declines of greater than -10% since WW2, ranked by the size of the decline. There are patterns and they tend to bottom at predictable levels, as seen in the chart above.
- The S&P has now declined -22% from the peak, worse than approximately 70% of the prior >-10% declines. This may be a stopping point but if the market breaks lower, the next lower historic level would be down -28%.
- **Unless the current situation is akin to the Great Financial Crisis, Internet Bust, Arab Oil Embargo, Vietnam War, Pandemic or 1987 Crash, most of the damage is probably already done.** Try not get caught up listening to strategists try to outdo each other with negative predictions. We are more interested in positioning portfolios in the new Value and International leadership for when we eventually emerge from this bear market.

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