

**March 16, 2001**

On March 12, 2001 the S&P 500 declined 53 points to close at 1180. That decline pushed the index to more than 20% below its peak and well into Bear Market Territory. While Bear Markets can vary greatly in duration and severity, there are some important points to remember from previous Bear Markets.

- **Bear Markets Are Short-Lived.<sup>1</sup> The average bear market (a decline of 15% or more in stocks) lasts only eight months.**
- **Recovery Is Usually Swift.<sup>1</sup> On average, 75% of the loss is recouped within seven months, with full recovery within just a year.**
- **Bear Markets Are Often Followed By Exceptionally Strong Rallies.<sup>1</sup> Stock prices jumped 42% in the first three months of the bull market after the fall of 1982. The low of 1990 was followed by a market gain of 31% in four months.**
- **Over Time, Equities Outperform All Other Asset Classes.<sup>2</sup> Being out of the Stock Market when it soars can be as big a risk to an investor's long-term investment plan as being in the market when it goes down. In fact, had you missed just the "Best 30 Days" since 1990, your 12% annualized rate of return<sup>3</sup> would have dwindled down to just 2 1/2% annually. That wouldn't even have kept pace with inflation!**
- **The Only Prices That Matter Are The Price You Buy And The Price You Sell. Everything in between is just a distraction. We build your investment portfolio on a long-term basis in order to meet your financial goals. Unless your goals have changed, we do not believe there is currently a need to modify your strategy in reaction to short-term variations in the market.**
- **Although no one can accurately predict when this particular Bear Market will turn around or how quickly it will recoup its losses, we can say with confidence that it won't last forever. At Capital Planning Advisory Group, we believe that sticking to your long-term investment plan and being positioned for the next Bull Market is the surest way to achieve your financial goals.**

- Source: David L. Babson & Co. Statistics since 1953.
- Source: Ibbotson Associates, 2000. As of 12/31/00.
- Source: Standard & Poor's 500 Index, 12/31/89 through 2/28/01. The value of equity investments is more volatile than other securities. Past performance is no guarantee of

**future results and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth less than their original cost. SEI Investments Management Corp.**