

How long does it take to recover?

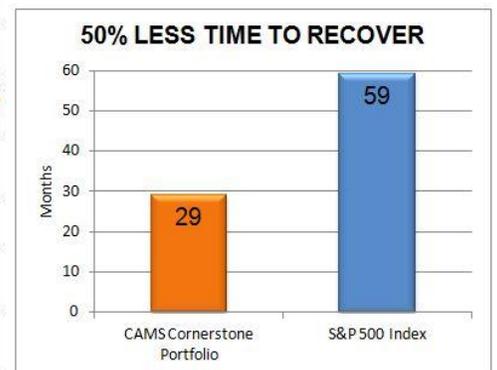
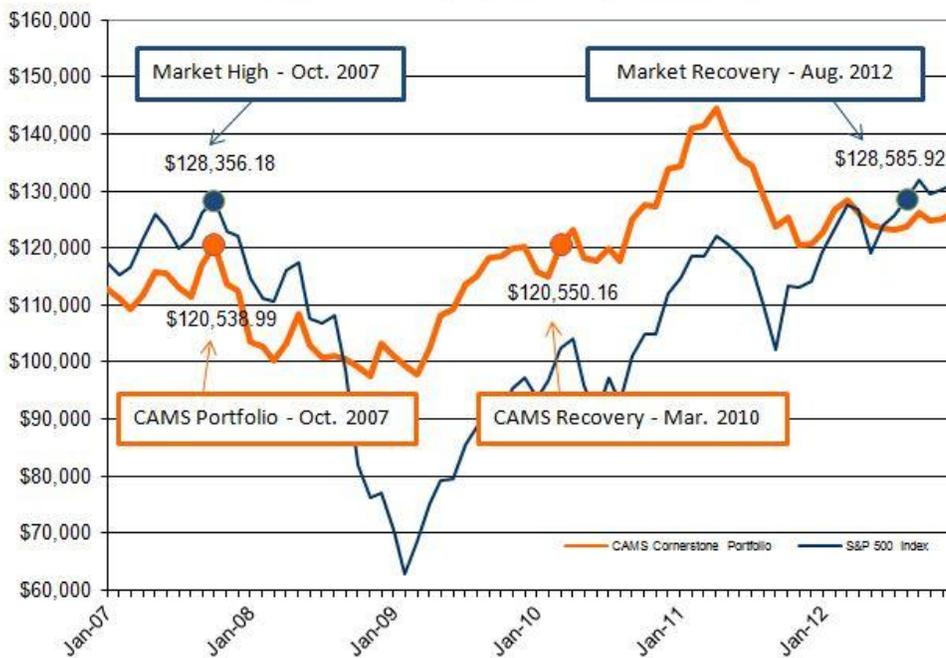
We recently examined the amount of time it takes to recover from a market downturn, while invested in the S&P 500 Index versus the CAMS Cornerstone Portfolio. The results, while not surprising, confirm our premise that by using an active management, or a tactical approach, we can greatly reduce or lessen the impact of large losses on a portfolio's value caused by the stock market's volatility.

The graph below shows the growth of \$100,000 in the S&P 500 Index establishing its, then, market high in October 2007 and not returning to that level (after a large market decline in March 2009) until August of 2012; approximately 59 months.

The growth of \$100,000 (net of fees) in the CAMS Cornerstone Portfolio in October 2007 declined through March 2009, but because of our active management, its decline was not as drastic, resulting in a significantly quicker recovery; approximately 29 months – **half the time**.

How long does it take to recover from a market downturn?

Growth of \$100,000, Net of Fees, since Dec. 2005



Through the use of active management strategies, Cornerstone creates investment model portfolios that moderate the volatility of the market, helping investors stay the course and benefit from the long-term gains of the market and improve risk-adjusted returns.

When the latest bull market for U.S. stocks reached the five-year mark on March 10, 2014, only five bulls had lasted longer. The Standard & Poor's 500 index posted a gain of 177% for the five-year period.¹ The current bull followed on the heels of the Great Recession and the worst stock market decline since the 1929 stock market crash. The most recent bear market began in October 2007; the S&P 500 fell 57% before hitting the bottom on March 9, 2009.² There have been a total of 12 bull markets since the end of World War II (including the current one). Half of those lasted five years, and only three make it to a sixth year.³

ARE YOUR CLIENT PORTFOLIOS READY FOR WHAT'S NEXT?

877-514-9477



Cornerstone Asset Management Services, Inc. (CAMS), is a Registered Investment Advisor
7976 Broadview Rd., Suite 109 • Broadview Heights, OH 44147 • 877.514.9477 • www.cornerstoneassetmgmt.com
1,2,3 MarketWatch, March 7, 2013

-For Investment Professional Use Only-