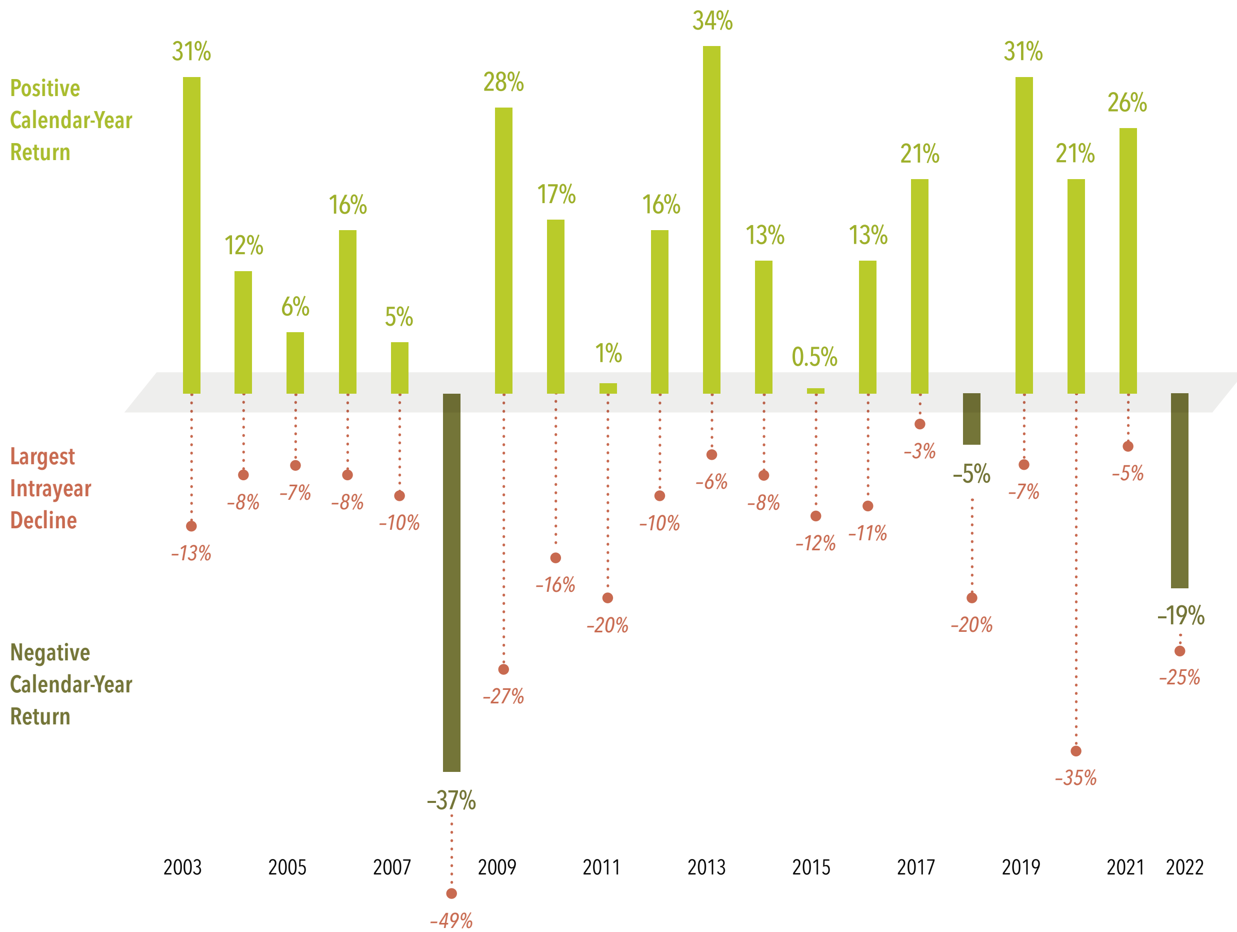
Do Downturns Lead to Down Years?

YEAR-BY-YEAR RETURNS, WITH STEEPEST DECLINE WITHIN EACH YEAR

Russell 3000 Index, January 2003–December 2022



Stock market declines over a few days or months may lead investors to anticipate a down year. But the US stock market has had positive annual returns in many years despite some notable dips.

- Intrayear declines for the index ranged from 3% to 49%.
- Many years with large intrayear declines saw positive annual returns.
- In 17 of the last 20 years, US stocks ended up with gains for the year.

Tumbles may be scary, but they shouldn't be surprising. And a short-term slump needn't mean a full-year fall.

Past performance is no guarantee of future results. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

In US dollars.

Data is calculated off rounded daily returns. US market is represented by the Russell 3000 Index. Largest intrayear decline refers to the largest market decrease from peak to trough during the year. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

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