

Learning from the Lessons of Time

The dates may change but the headlines
stay the same



The dates may change, but the headlines stay the same...

Today's headlines may FEEL like something totally new...

Dow Jones Industrial Average, price return
50-year period ended December 2022



...yet looking at five decades of headlines, it's clear that "we've been here before."

Source: S&P Dow Jones Indices, Macrobond. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only. All investments involve risks, including loss of principal. Please note that an investor cannot invest directly in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges. The Dow Jones Industrial Average (DJIA) is a widely followed measurement of the stock market. The average is comprised of 30 stocks that represent leading companies in major industries. These stocks, widely held by both individual and institutional investors, are considered to be all blue-chip companies.

Recession and market fears



1972

US budget deficit hits new high

Stalled growth, surging inflation collide with new spending priorities



1973

Oil prices skyrocket 400%

OPEC embargo causes widespread disruption

1974

Dow closes at lowest level in more than a decade

Gloomy reports spook investors

1970

1971

1972

1973

1974

1975

1976

1977

1978

1979



1982
Double-digit unemployment fuels fears
+10% jobless rate hobbles consumer sector



Oil spill triggers concerns
Widespread damage to Alaska from Exxon Valdez disaster



1987
Black Monday Dow plummets 22%
500-point nosedive shocks investors

1984
US banking crisis
Continental Illinois becomes largest bank failure in US history

1980

1981

1982

1983

1984

1985

1986

1987

1988

1989

1989



1990
Home prices implode amid recession
Bad mortgages exert pressure on banks, insurers



2020
COVID-19 is declared a pandemic
Unemployment rate is the highest since the Great Depression



2008
Stock market meltdown
Dow plunges 777 points after Congress rejects bank bailout bill

2000
Tech bubble bursts
Dot-com stocks eventually tumble 77%

1990

1995

2000

2005

2008

2010

2015

2020

2021

Financial security



1975
**The triple threat
of stagflation**

Stagnant growth, high
inflation and scarce jobs
trigger pessimism

2009
**Unemployment rate
soars to 10%**

Millions hunt for jobs



1993
**Persistent job woes
test economy**

Confidence erodes three straight
years of rising unemployment

2002
**Americans ask “can
I afford to retire?”**

Stock downturn sparks
fears about nest eggs

2020
**Health care costs
hit \$4.1 trillion**
US burden is highest
in the developed world

1970 1975 1980 1990 1993 2000 2002 2005 2009 2010 2015 2020 2021

Ethics



1974
**Watergate fallout:
Nixon resigns**
Stocks down 40%
since 1973 peak



1993
**S&L scandal rocks
Washington**
Mastermind convicted
of fraud, racketeering
and conspiracy



1976
**Lockheed global
payoff scandal**
Management admits
\$22 million in bribes

1990
**“Junk Bond King”
pleads guilty**
Michael Milken
faces prison time,
\$600 million fine

2001
**Enron: corporate
ethics gone wrong**
Audit fraud sparks
largest bankruptcy
in US history

2019
**College admission
scandal**
Wealthy parents
bribe officials to secure
school admissions

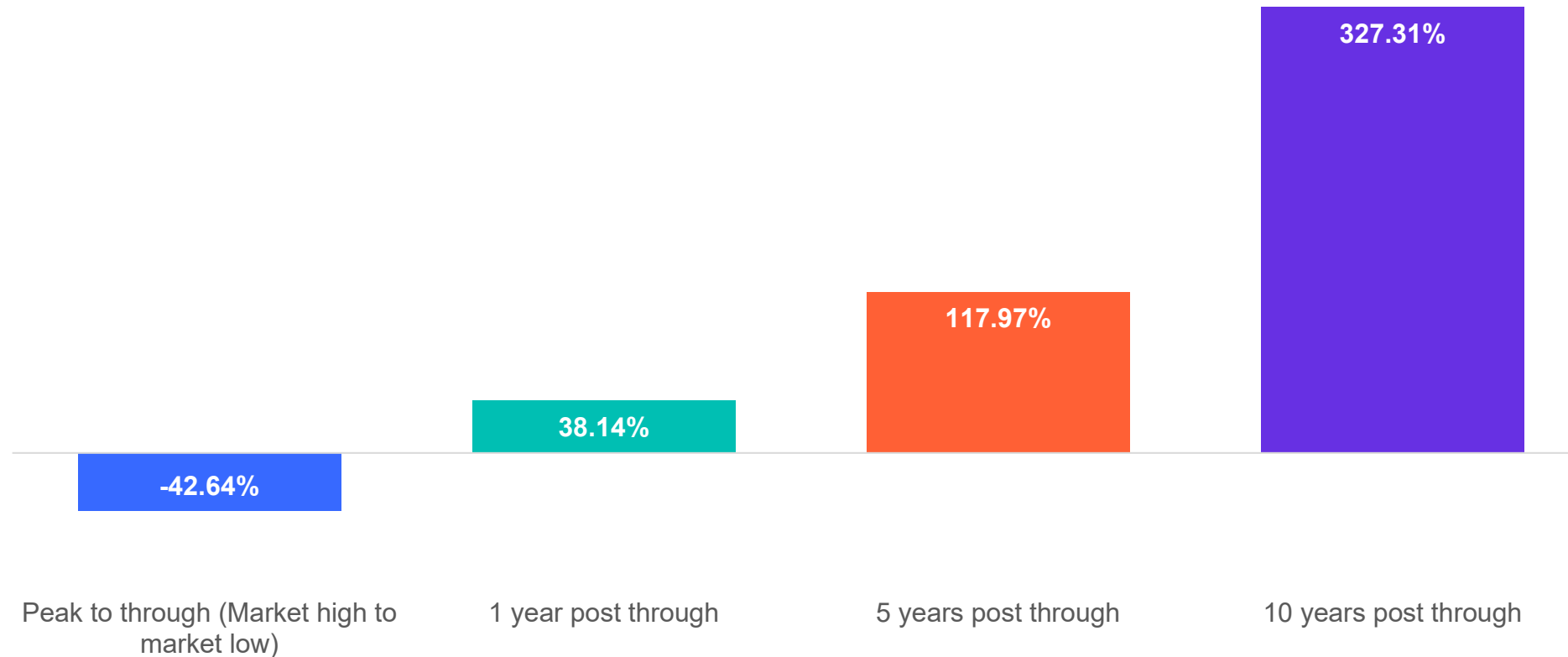
1970 1974 1976 1980 1985 1990 1993 2001 2005 2010 2015 2019 2021

**“Nothing we do can
change the past,
but everything we do
changes the future.”**

Ashleigh Brilliant

For every bear, there's a bull...

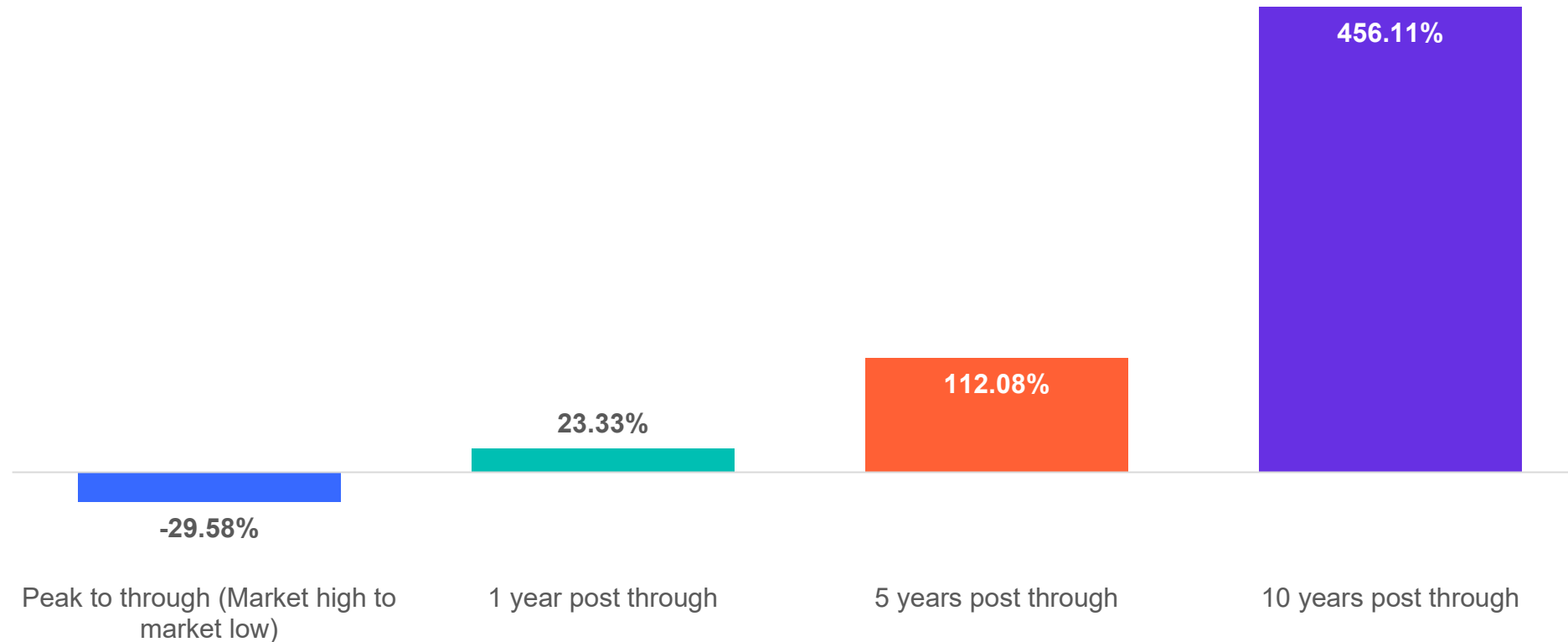
Cumulative total returns of the S&P 500 Index following the 1973–1974 bear market



Source: Bloomberg. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and is not indicative of performance of any specific investment. All investments involve risks, including loss of principal. Please note that an investor cannot invest directly in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges. This chart illustrates the historical performance of the Standard & Poor's 500 Index (S&P 500) before and after the bear market bottom of October 3. Cumulative total returns include reinvestment of dividends and capital gains. The S&P 500 Index is an unmanaged index of 500 stocks that is generally a representation of the performance of larger companies in the US.

For every bear, there's a bull...

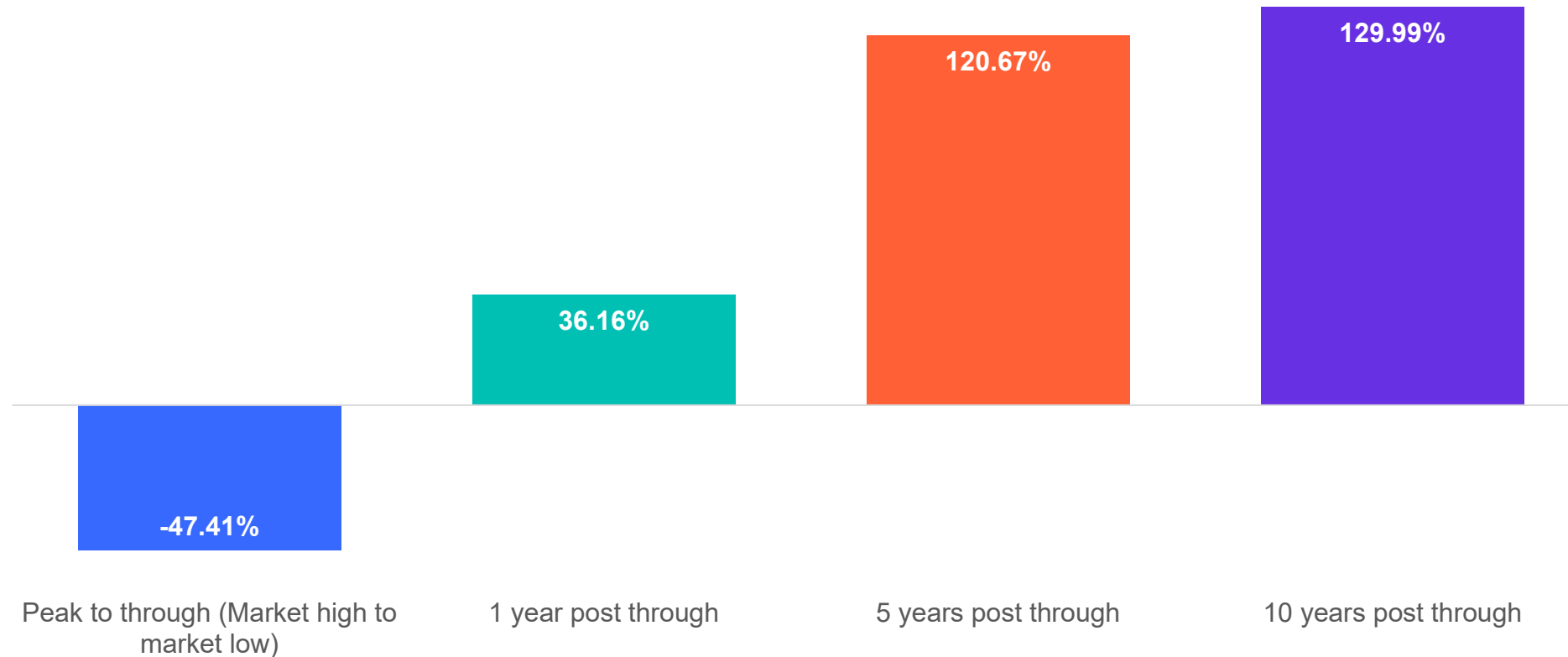
Cumulative total returns of the S&P 500 Index following the 1987 market crash



Source: Bloomberg. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and is not indicative of performance of any specific investment. All investments involve risks, including loss of principal. Please note that an investor cannot invest directly in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges. This chart illustrates the historical performance of the Standard & Poor's 500 Index (S&P 500) before and after the bear market bottom of December 4, 1987. Cumulative total returns include reinvestment of dividends and capital gains. The S&P 500 Index is an unmanaged index of 500 stocks that is generally a representation of the performance of larger companies in the US.

For every bear, there's a bull...

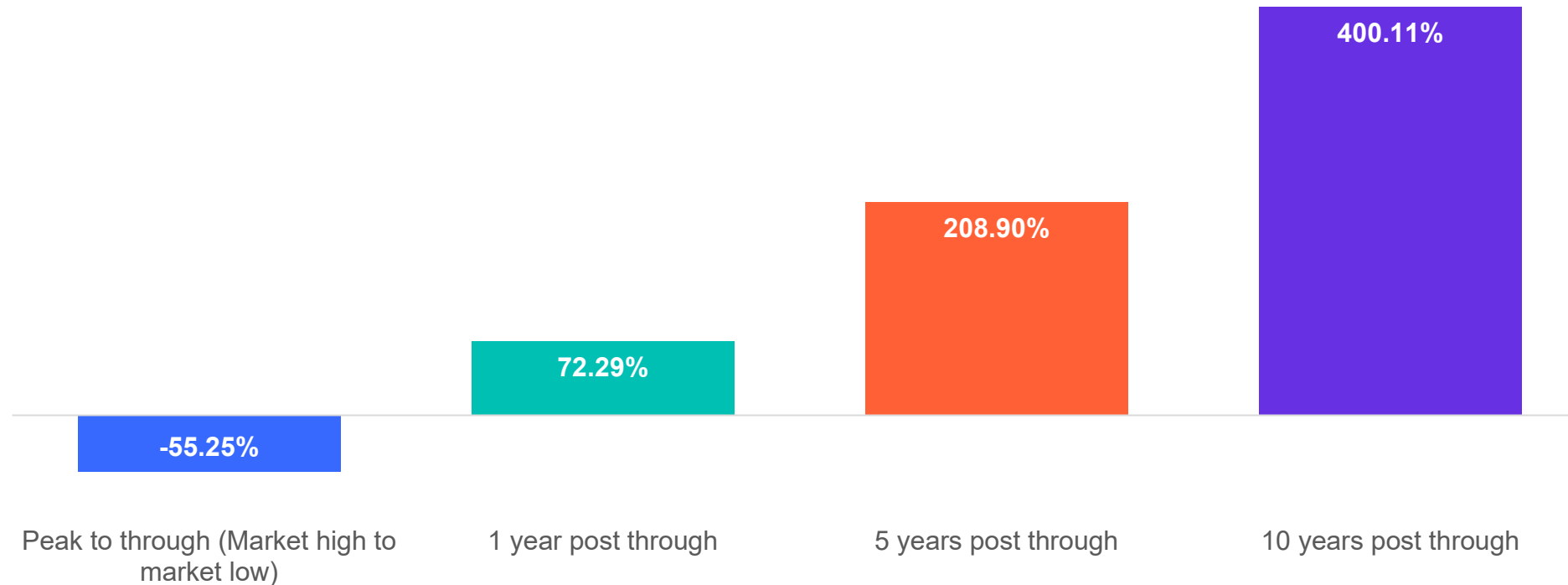
Cumulative total returns of the S&P 500 Index following the 2000–2022 bear market



Source: Bloomberg. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and is not indicative of performance of any specific investment. All investments involve risks, including loss of principal. Please note that an investor cannot invest directly in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges. This chart illustrates the historical performance of the Standard & Poor's 500 Index (S&P 500) before and after the bear market bottom of October 3, 1974, December 4, 1987 and October 9, 2002. Cumulative total returns include reinvestment of dividends and capital gains. The S&P 500 Index is an unmanaged index of 500 stocks that is generally a representation of the performance of larger companies in the US.

For every bear, there's a bull...

Cumulative total returns of the S&P 500 Index following the 2007–2009 bear market

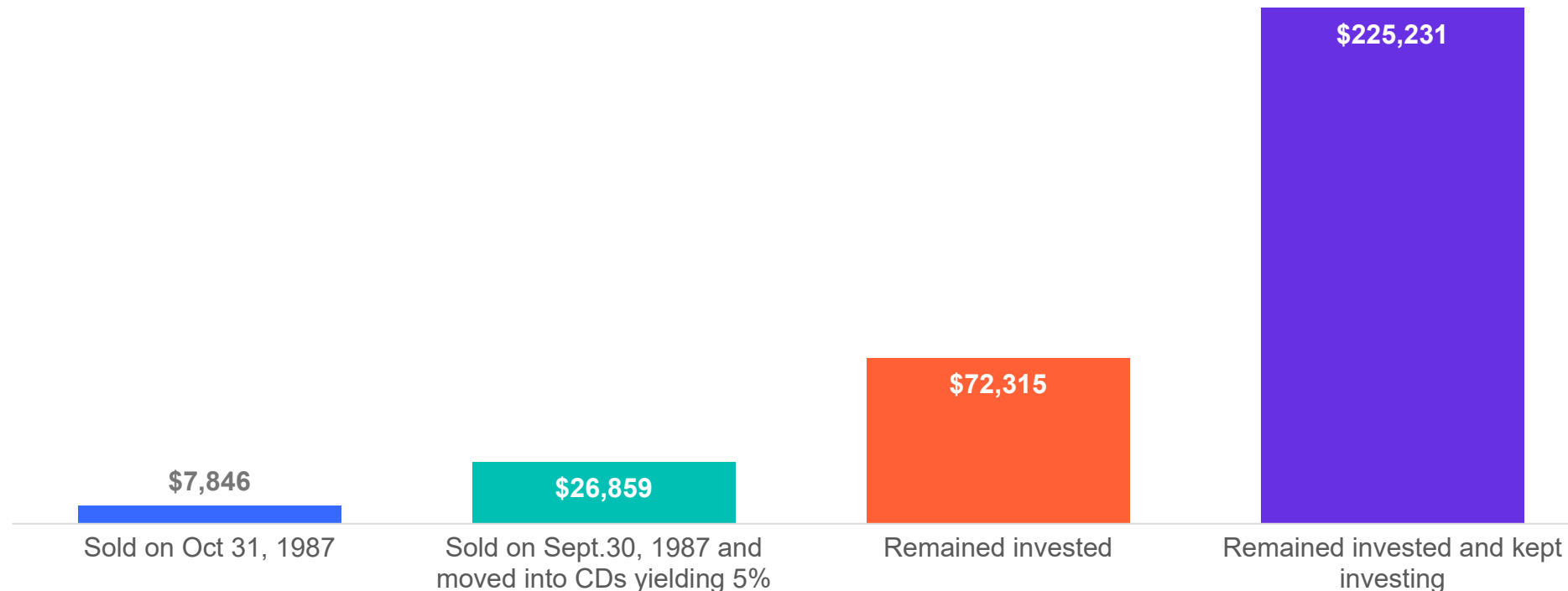


Source: Bloomberg. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and is not indicative of performance of any specific investment. All investments involve risks, including loss of principal. Please note that an investor cannot invest directly in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges. This chart illustrates the historical performance of the Standard & Poor's 500 Index (S&P 500) before and after the bear market bottom of March 9, 2009. Cumulative total returns include reinvestment of dividends and capital gains. The S&P 500 Index is an unmanaged index of 500 stocks that is generally a representation of the performance of larger companies in the US.

Staying in the market:

It's time in, not timing

A \$10,000 investment at the peak of the 1987 market...and what happened based on four reactions to the October 1987 crash through the next twenty years (year-end 2007)



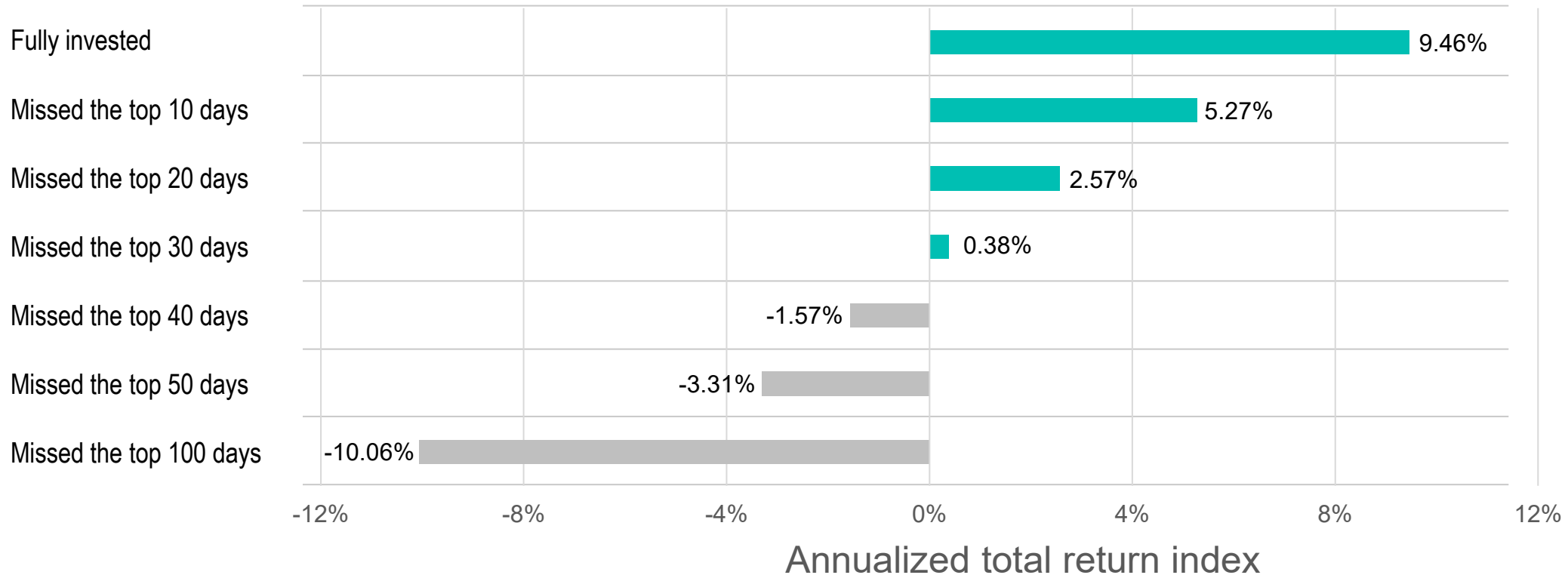
Sources: S&P Dow Jones Indices, Morningstar Direct. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and is not indicative of performance of any specific investment. Please note the above illustration does not take into account any fees, expenses or taxes. An investor cannot invest directly in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges. The chart above illustrates a hypothetical investment of \$10,000 invested in the Standard & Poor's 500 Index (S&P 500) on September 30, 1987, near the market high, and then the subsequent financial impact of various investment strategies on the same portfolio implemented on October 31, 1987, after the market crash on October 19, 1987 through December 31, 2007. The hypothetical "Remained invested and continued to invest" assumes a monthly investment of \$200.00. A CD is a debt instrument issued by a bank that usually pays an interest rate set by competitive forces in the marketplace. CDs are FDIC-insured up to \$250,000, offer a fixed rate of return, but may be subject to fluctuating rates and early withdrawal penalties.

Staying in the market:

It's time in, not timing

S&P 500 Index, market returns

20-year period ended December 2022



Diversification does not ensure a profit or protect against market loss. Staying invested for any period of time does not protect an investor from experiencing a loss of their principal or guarantee they will recoup any decline of the principal amount they invested. All investments involve risks, including loss of principal. This chart is provided for illustrative purposes only and represents an unmanaged index in which investors cannot directly invest.

Performance data represents past performance, which does not guarantee future results.

Source: S&P Down Jones Indices, Morningstar.

Principles that have stood the test of time



Recognize that the issues that worry investors today aren't necessarily new



Stay focused on the big picture



Don't let emotions drive your decisions



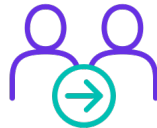
Understand your tolerance for risk



Stay invested



Be diversified*



Work closely with a trusted financial professional

*Diversification does not ensure a profit or protect against a market loss.

“The more things change, the more they remain the same.”

Jean-Baptiste Alphonse Karr

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