Diving into Market Uncertainty

K. Sean Clark, CFA®

Clark Capital Management Group

Executive Summary

- Annual forecast for the S&P 500 was 5300. We are increasing that target to 5800 and expect the 10-year Treasury yield to end in the 3.25%-4.5% range.
- Presidential election year trends still a positive factor for the market. History suggests a pause/correction heading into the election.
- No recession, but slower economic growth. Expect 2.25% GDP in 2024. In our Annual Outlook we said, "until meaningful weakness is revealed in the labor market, calls for recession seem premature." We are now seeing early signs of labor market cooling.
- First rate cut now in the books. 2024 Annual Outlook "We expected 4 rate cuts as the Fed recalibrate rates."* Market is now pricing in the equivalent of 4 rate cuts in 2024.
- Inflation continues on path towards the 2% zone. Excluding housing, inflation is already in the 2% range.
- We believe valuations remain "fair" for stocks with strong earnings growth. Small and mid-cap stocks appear cheap compared to large-caps.
- Risks remain elevated and include the U.S. presidential election, geopolitics (Russia/Ukraine, Middle East, China/Taiwan), U.S. government fiscal position.

* Clark Capital 2024 Annual Outlook, January 2024

Perspective…

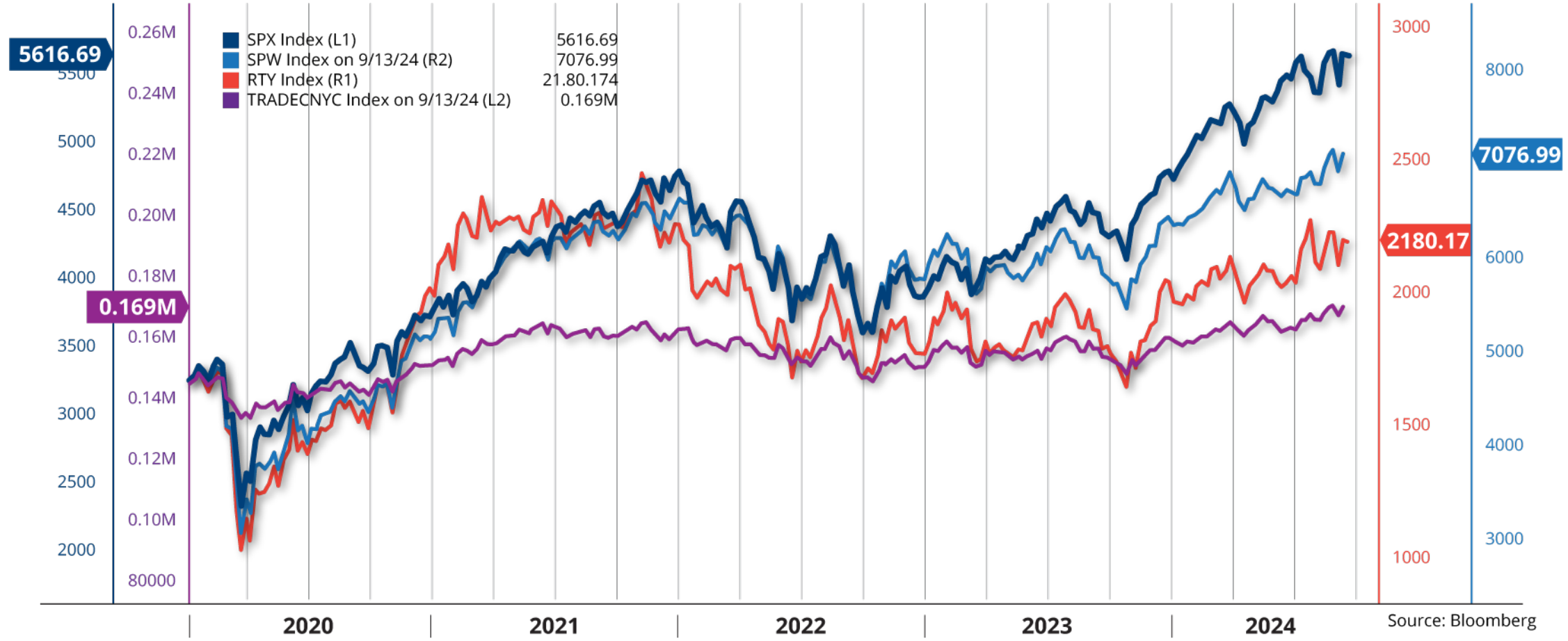
Domestic Equity		2023	YTD – 9/19/2024
	S&P 500	26.26%	21.02%
	Russell 1000	26.50%	20.21%
	Russell 2000	16.88%	12.22%
	Russell 3000	25.93%	19.77%
	Russell 1000 Value	11.41%	15.62%
	Russell 1000 Growth	42.67%	23.68%
International Equity			
	MSCI Emerging Market	9.83%	9.74%
	MSCI All Country World (ex US)	15.62%	11.10%
Fixed Income			
	BBgBarc U.S. Aggregate Bond	5.53%	4.78%
	BBgBarc U.S. Treasury	4.05%	4.15%
	BBgBarc U.S. Corporate	8.52%	5.58%
	BBgBarc U.S. Corporate High Yield	13.45%	7.89%
	BBgBarc Municipal	6.40%	2.15%

Past performance is not indicative of future results. This is not a recommendation to buy or sell a particular security. Please see attached disclosures.

Source: Bloomberg

Index Divergence

12/31/2019 to 9/16/2024



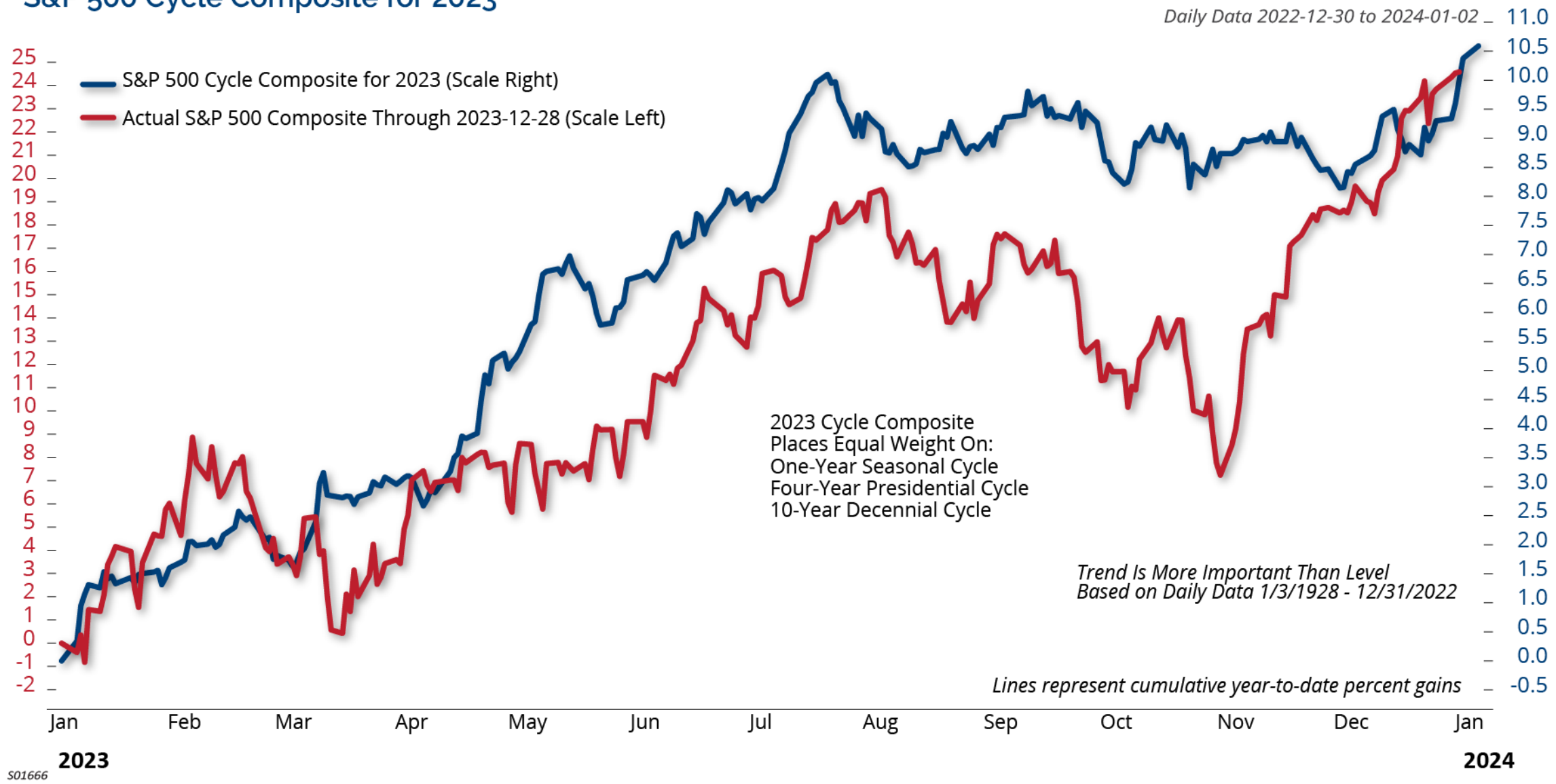
For illustrative purposes only. Past performance is not indicative of future results.

Corrections Are Normal — Frequency of Declines

S&P 500 Declines	Occurrences Per Year	Frequency Average	Probability of Decline Moving to Next Stage	Mean Decline
-5% or more	3.4	Every 14 weeks	32%	-10.9%
-10% or more	1.1	Every Year	45%	-19.5%
-15% or more	0.5	Every 2 years	58%	-28.2%
-20% or more	0.3	Every 3 years	N/A	-35.7%

Source: Ned Davis Research. Past performance is not indicative of future results.

S&P 500 Cycle Composite for 2023

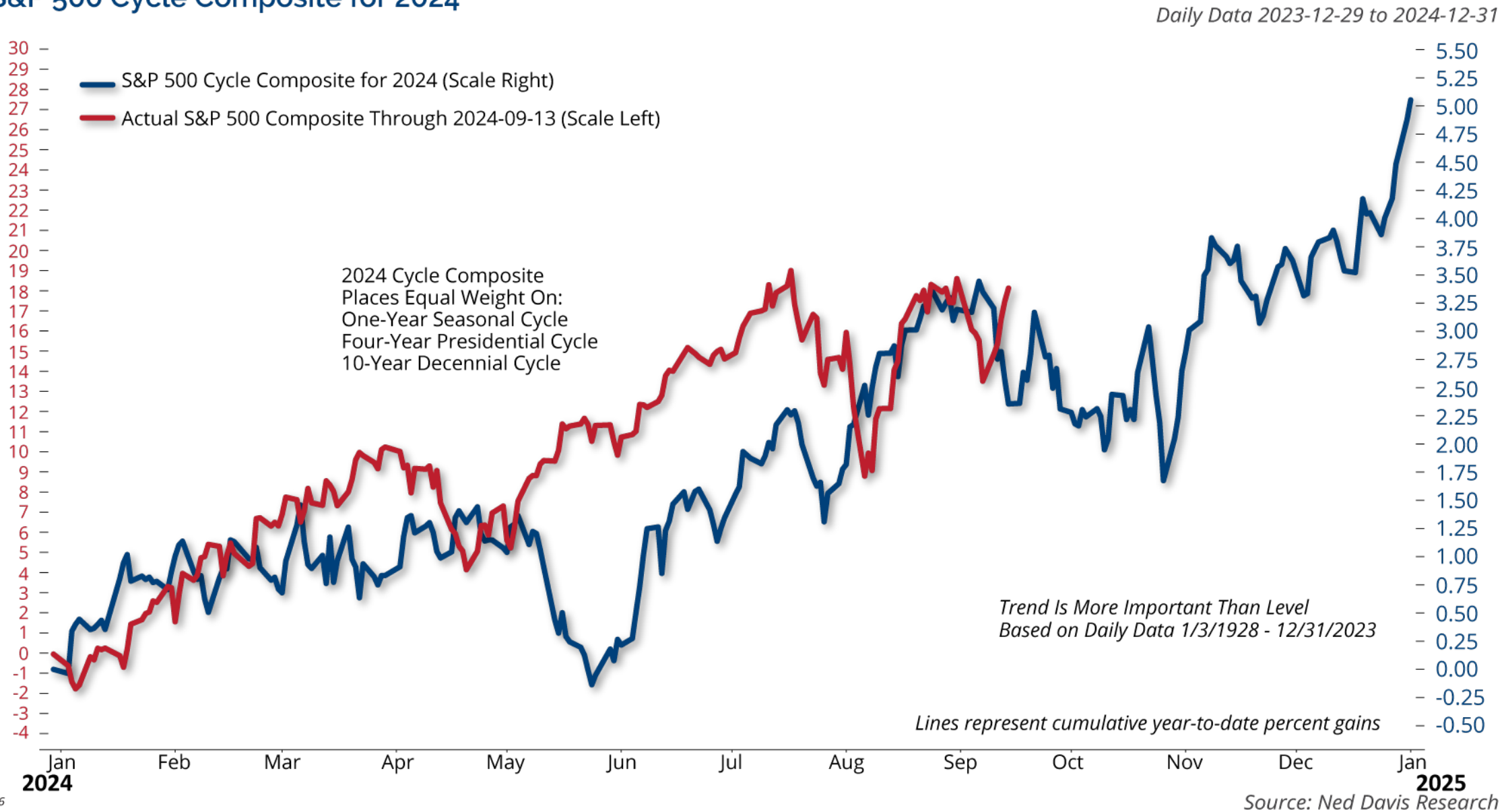


S01666

Source: Ned Davis Research

For illustrative purposes only. Past performance is not indicative of future results.

S&P 500 Cycle Composite for 2024



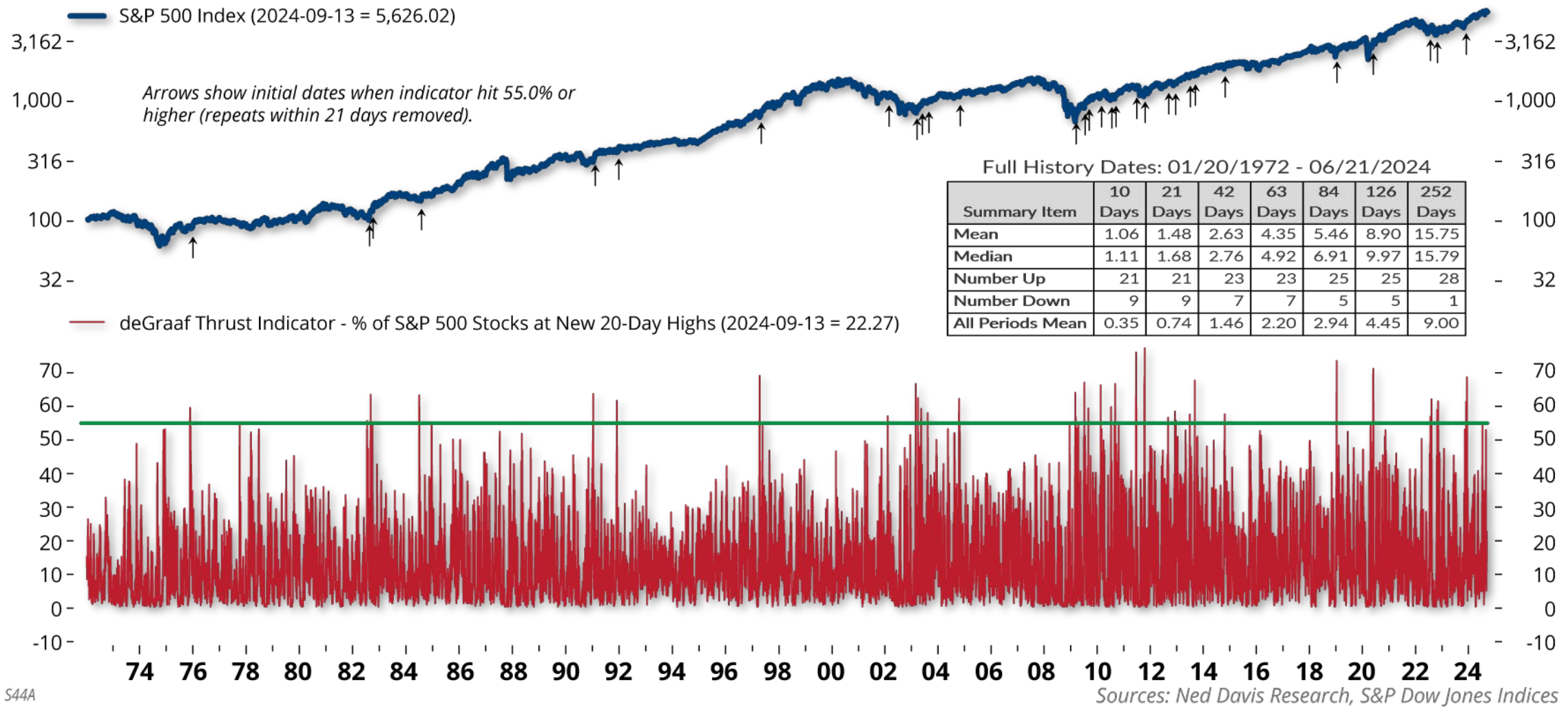
S01666

Source: Ned Davis Research

For illustrative purposes only. Past performance is not indicative of future results.

S&P 500 Index vs. deGraaf Thrust Indicator

Daily Data 01/20/1972 to 09/13/2024



Full History Dates: 01/20/1972 - 06/21/2024

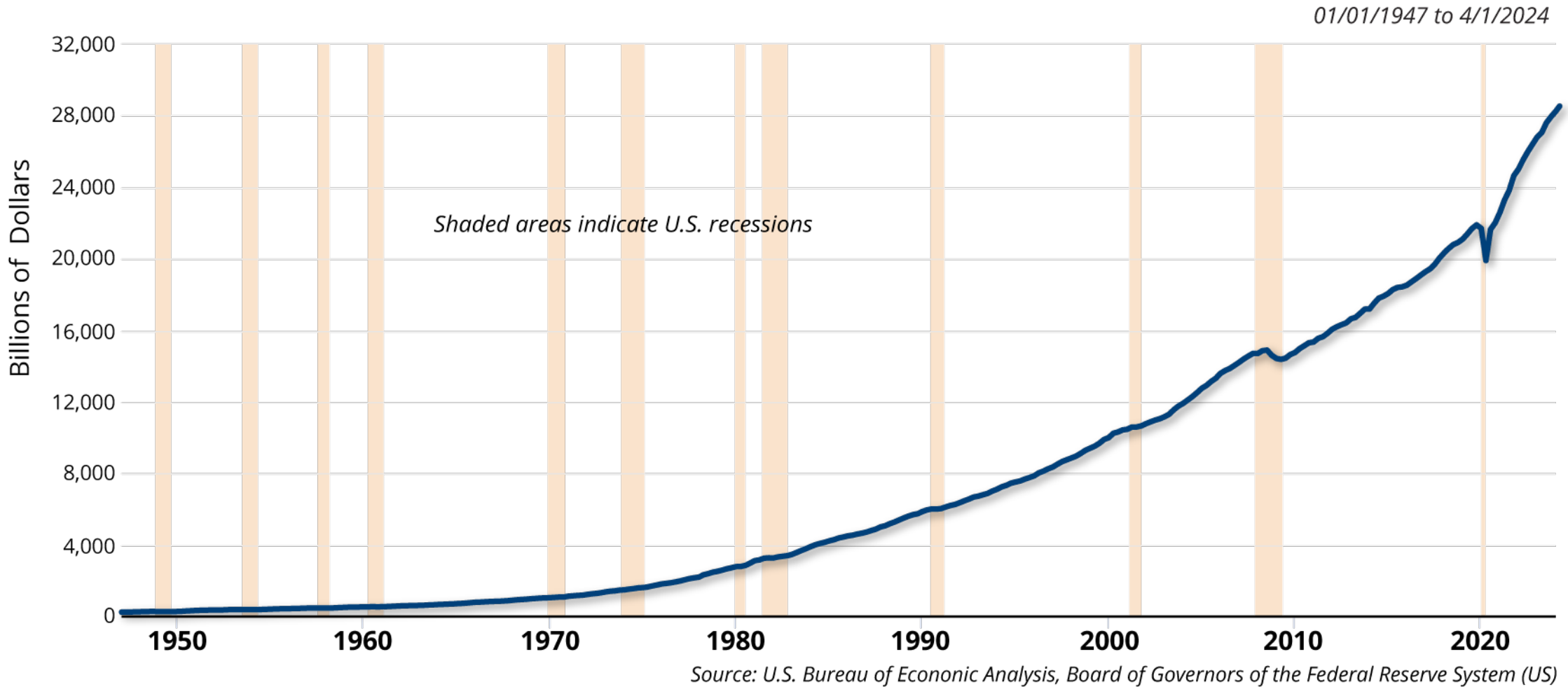
Summary Item	10 Days	21 Days	42 Days	63 Days	84 Days	126 Days	252 Days
Mean	1.06	1.48	2.63	4.35	5.46	8.90	15.75
Median	1.11	1.68	2.76	4.92	6.91	9.97	15.79
Number Up	21	21	23	23	25	25	28
Number Down	9	9	7	7	5	5	1
All Periods Mean	0.35	0.74	1.46	2.20	2.94	4.45	9.00

S44A

Sources: Ned Davis Research, S&P Dow Jones Indices

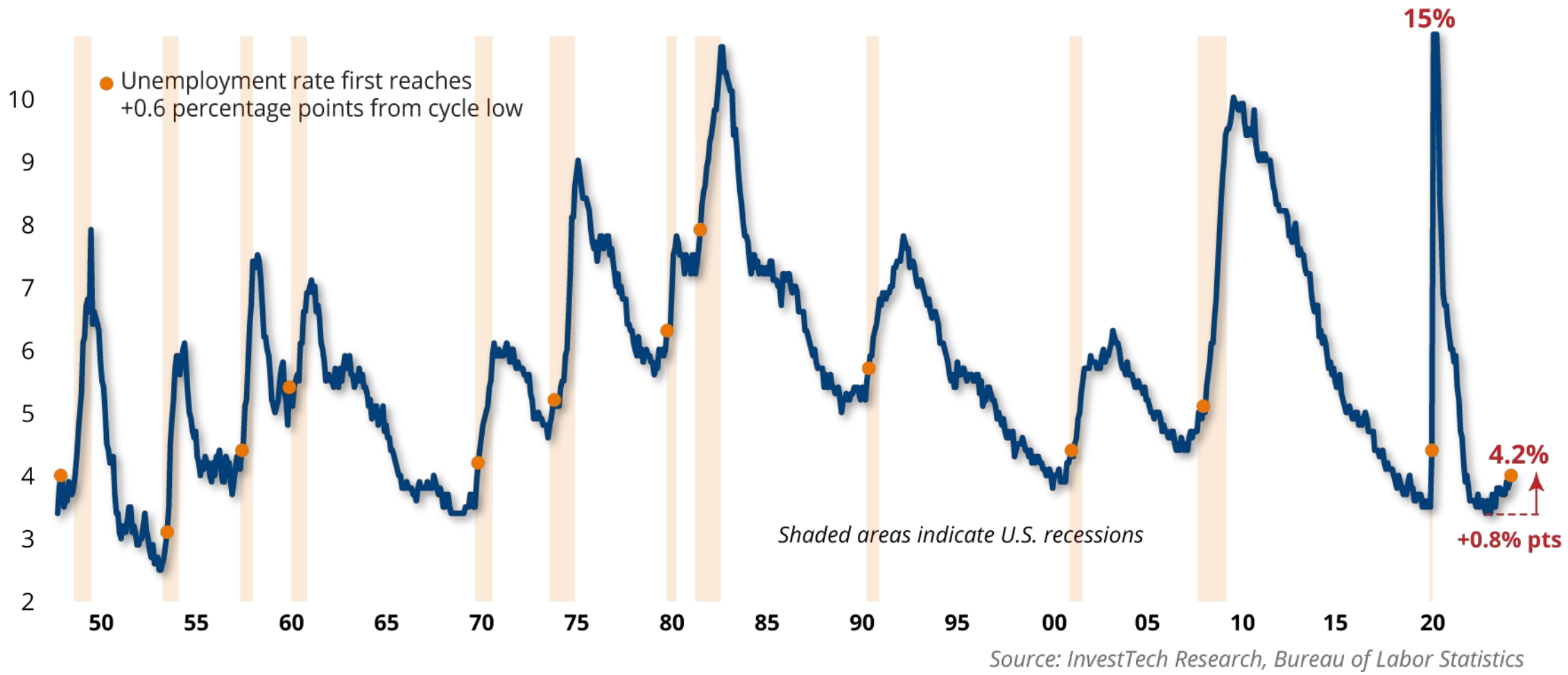
For illustrative purposes only. Past performance is not indicative of future results.

Gross Domestic Product



For illustrative purposes only. Past performance is not indicative of future results.

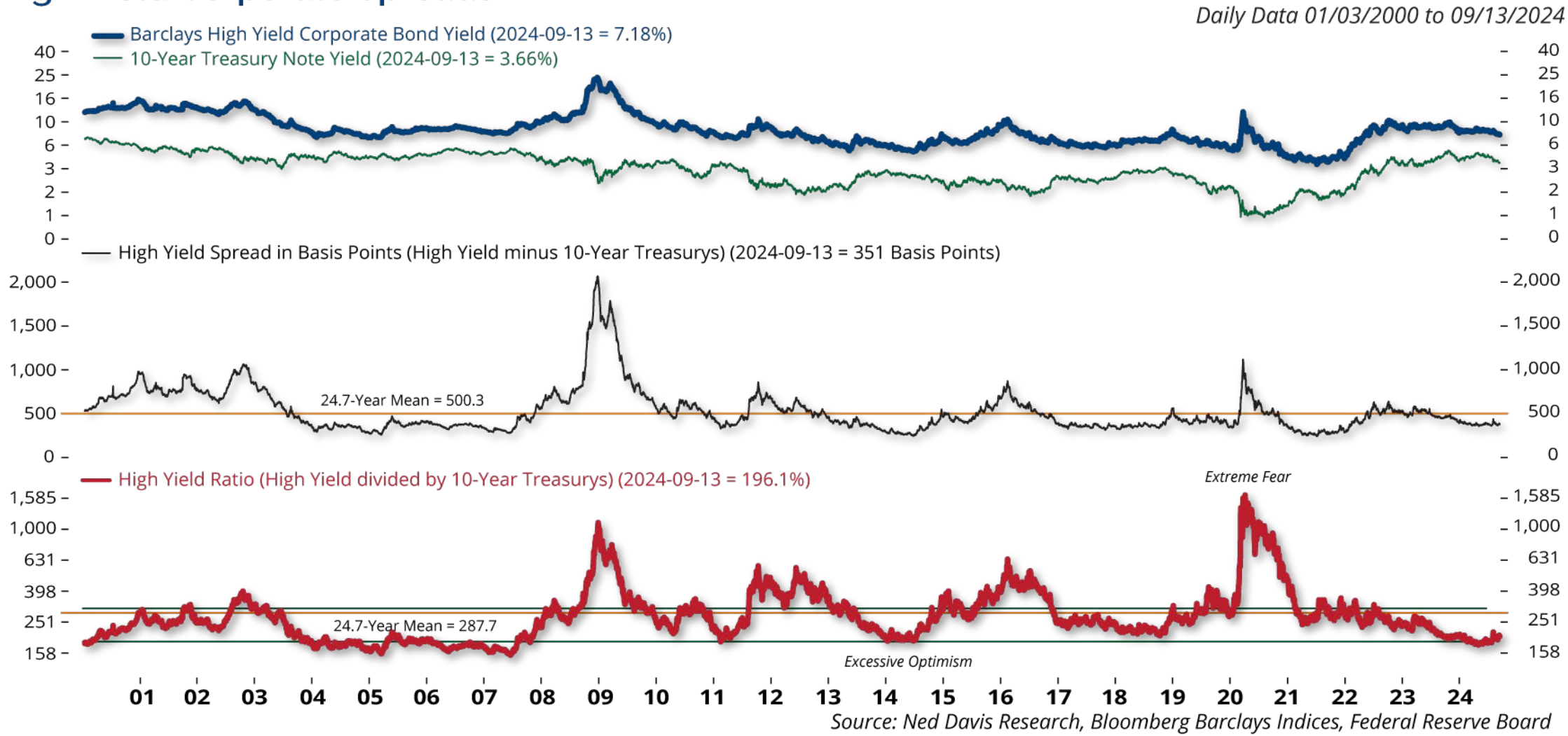
Unemployment Rate



Source: InvestTech Research, Bureau of Labor Statistics

For illustrative purposes only. Past performance is not indicative of future results.

High Yield Corporate Spreads

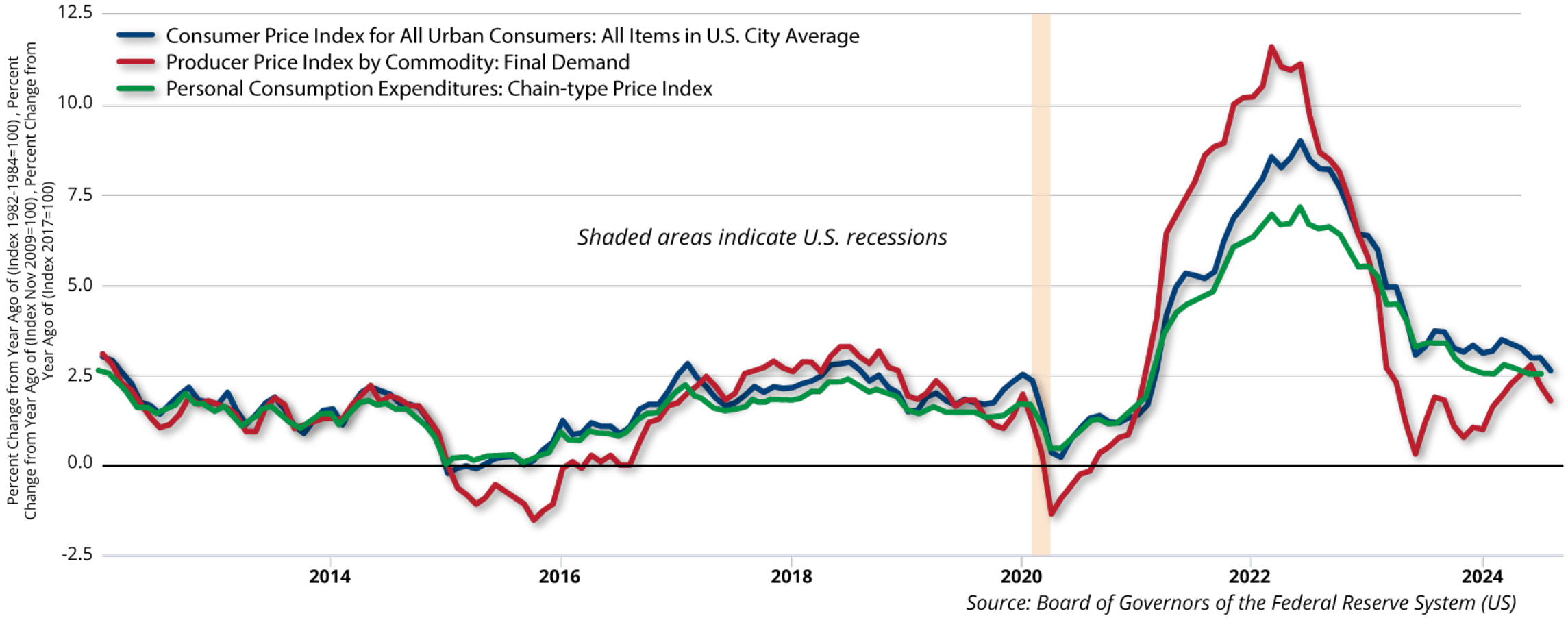


For illustrative purposes only. Past performance is not indicative of future results.

B334A

Consumer Price Index for All Urban Consumers
Personal Consumption Expenditures
Producer Price Index by Commodity

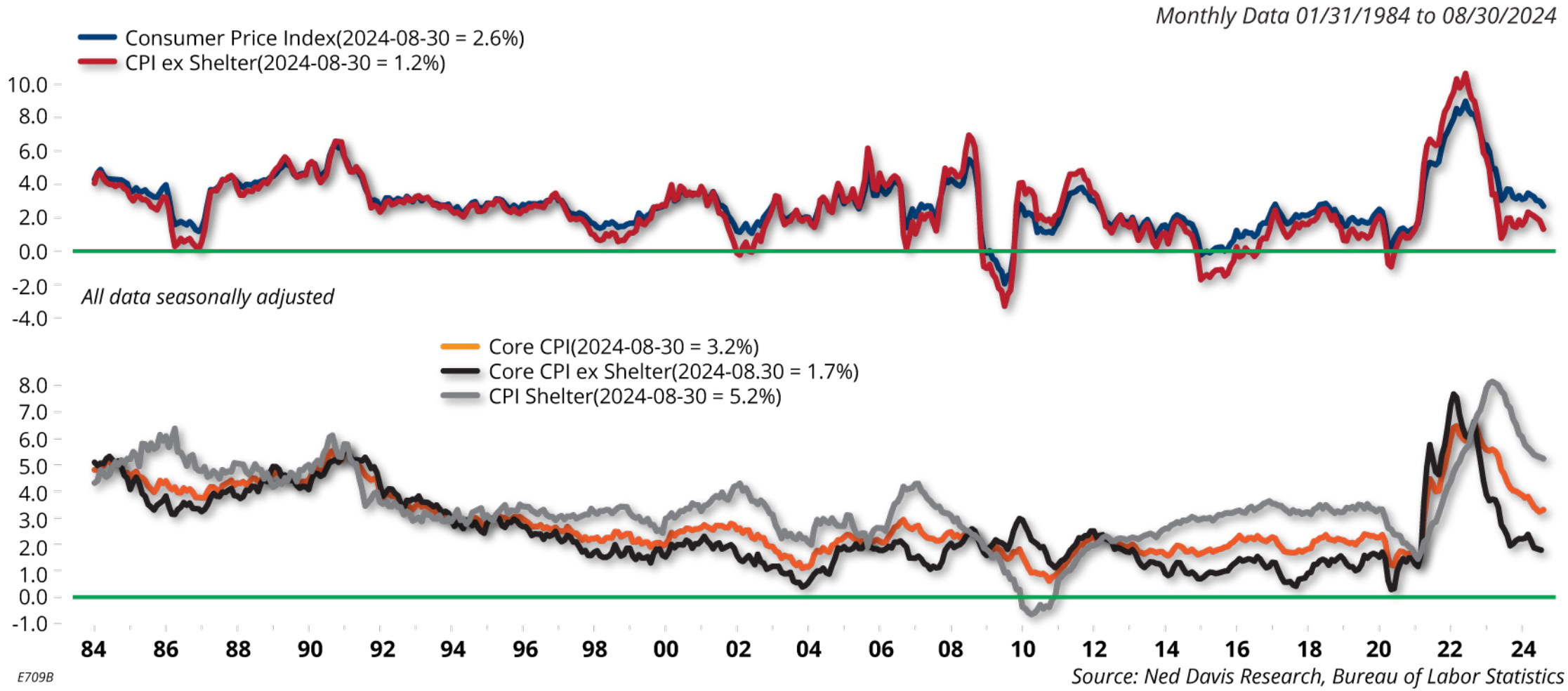
01/01/2012 to 08/01/2024



Source: Board of Governors of the Federal Reserve System (US)

For illustrative purposes only. Past performance is not indicative of future results.

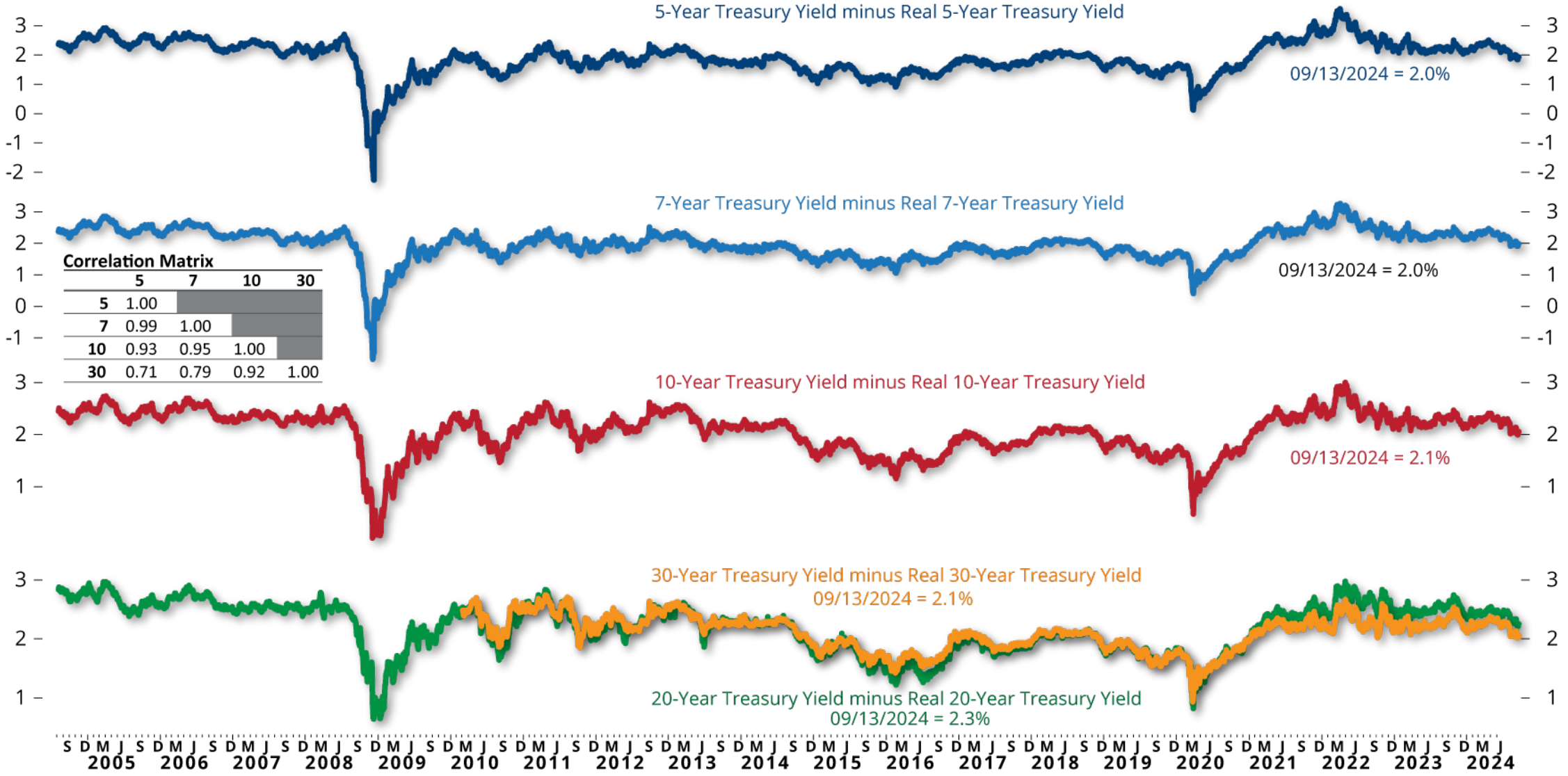
CPI and CPI ex-Shelter (Year-to-Year Changes)



For illustrative purposes only. Past performance is not indicative of future results.

TIPS Breakeven Curve (Implied Inflation)

Daily 07/27/2004 - 09/13/2024



Correlation Matrix

	5	7	10	30
5	1.00			
7	0.99	1.00		
10	0.93	0.95	1.00	
30	0.71	0.79	0.92	1.00

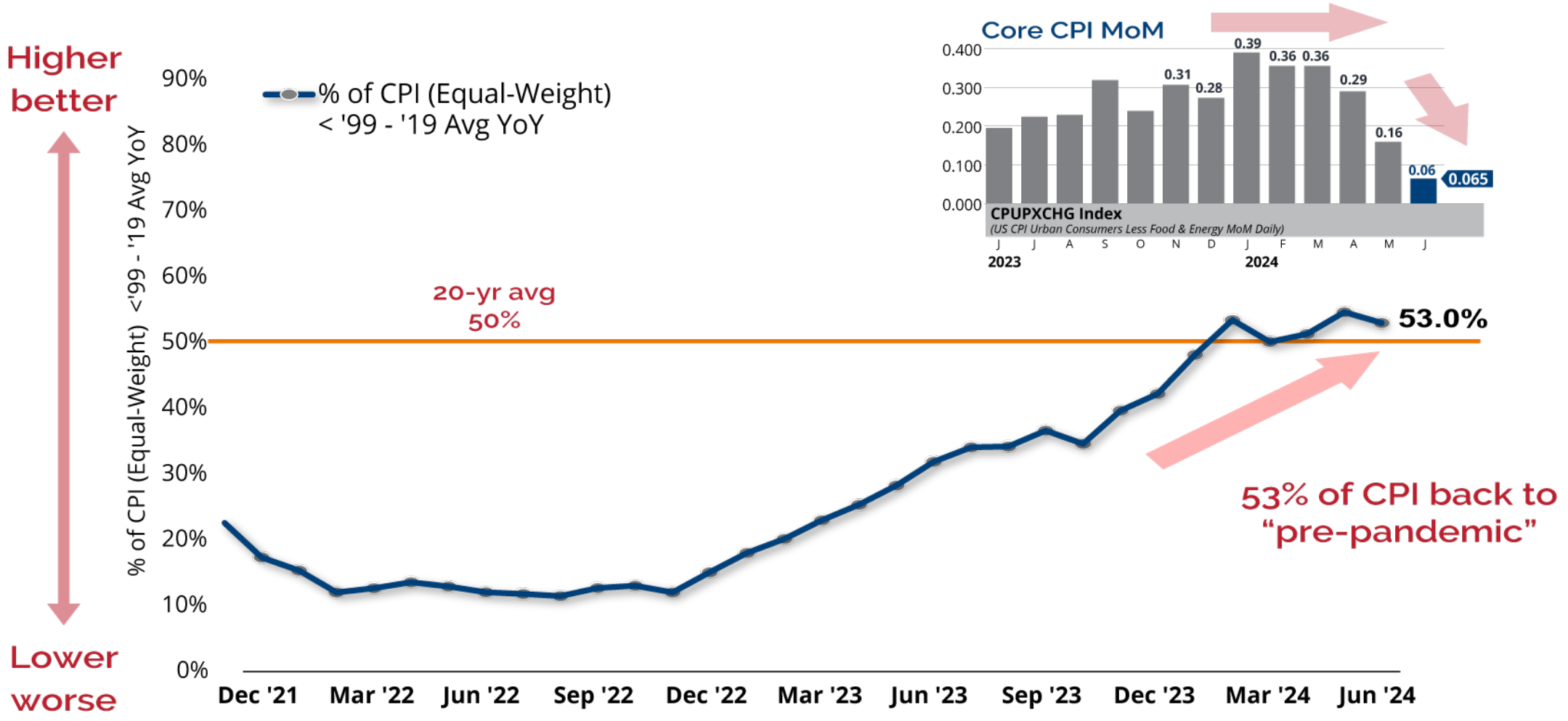
B0596A

Source: Ned Davis Research

For illustrative purposes only. Past performance is not indicative of future results.

% of CPI items with YoY BELOW Pre-pandemic avg (20-yr)

Since 1997



Source: Fundstrat, Bloomberg, BLS

For illustrative purposes only. Past performance is not indicative of future results.

DON'T FIGHT THE FED:
When economy mid-cycle and Fed cut . . . BLAST OFF

As of 9/10/2024

Timing of the Fed cut is key. When the Fed cuts and the US economy is in expansion, the first Fed cut drives positive equity returns. As shown below, the S&P 500 has seen gains 100% of the time when the Fed cuts and the US is not in recession.

Fed cut + recession:

July '74, April '80, June '81, Jan '01 and Sept '07

	% return (avg)	Win-ratio
1W	-0.3%	20%
1M	0.5	60
3M	-7.5	20
6M	-3.5	20
9M	-4.0	20
12M	-2.3	40

Fed cut + Expansion:

Jan '71, Oct '84, Oct '87, July '89, July '95, Sept '98

	% return (avg)	Win-ratio
1W	-0.1%	67%
1M	5.1	100
3M	9.7	100
6M	14.0	100
9M	16.0	100
12M	16.5	100

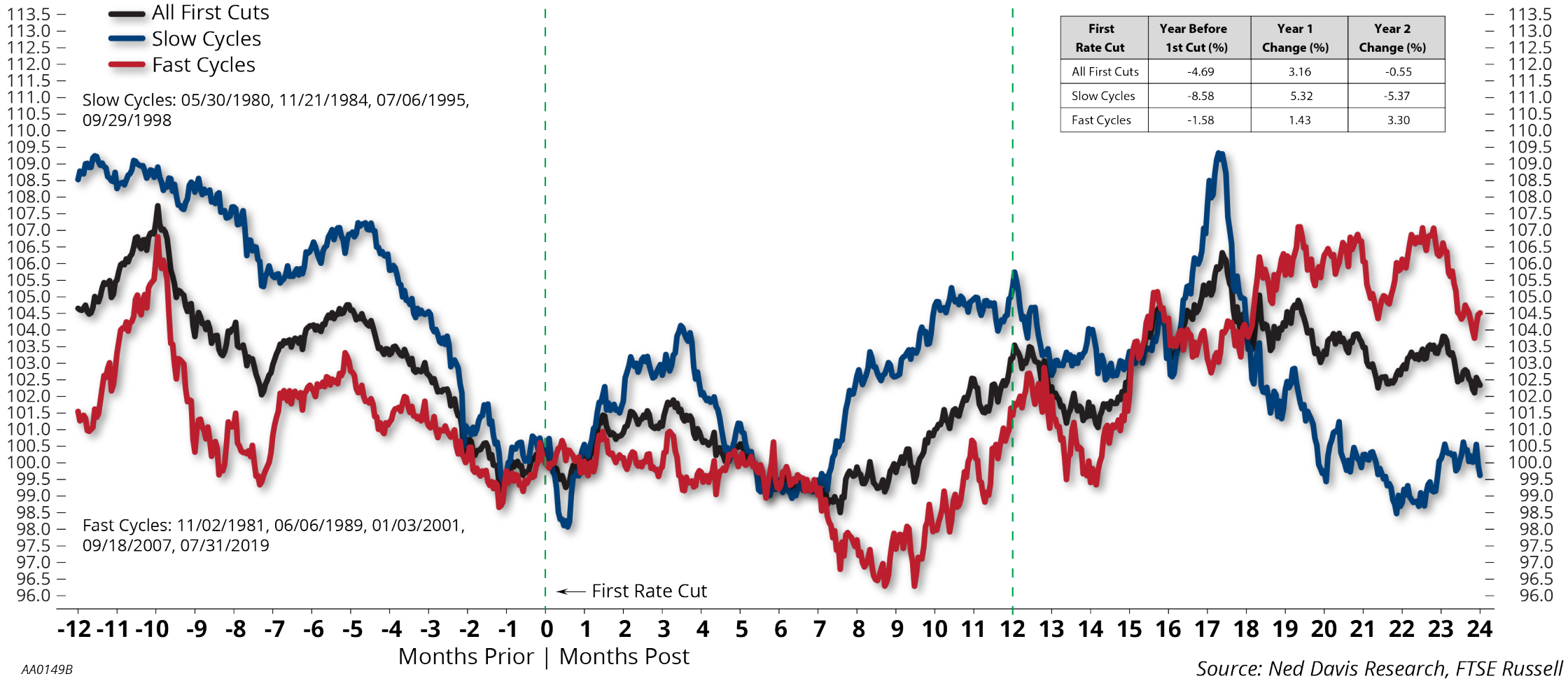
Source: Fundstrat, Bloomberg, Datastream, Kenneth French Data Library

For illustrative purposes only. Past performance is not indicative of future results.

Russell 2000/1000 Ratio Around First Fed Rate Cuts vs. Speed of Cuts

Ratio = Russell 2000 Index / Russell 1000 Index

First Rate Cut	Year Before 1st Cut (%)	Year 1 Change (%)	Year 2 Change (%)
All First Cuts	-4.69	3.16	-0.55
Slow Cycles	-8.58	5.32	-5.37
Fast Cycles	-1.58	1.43	3.30



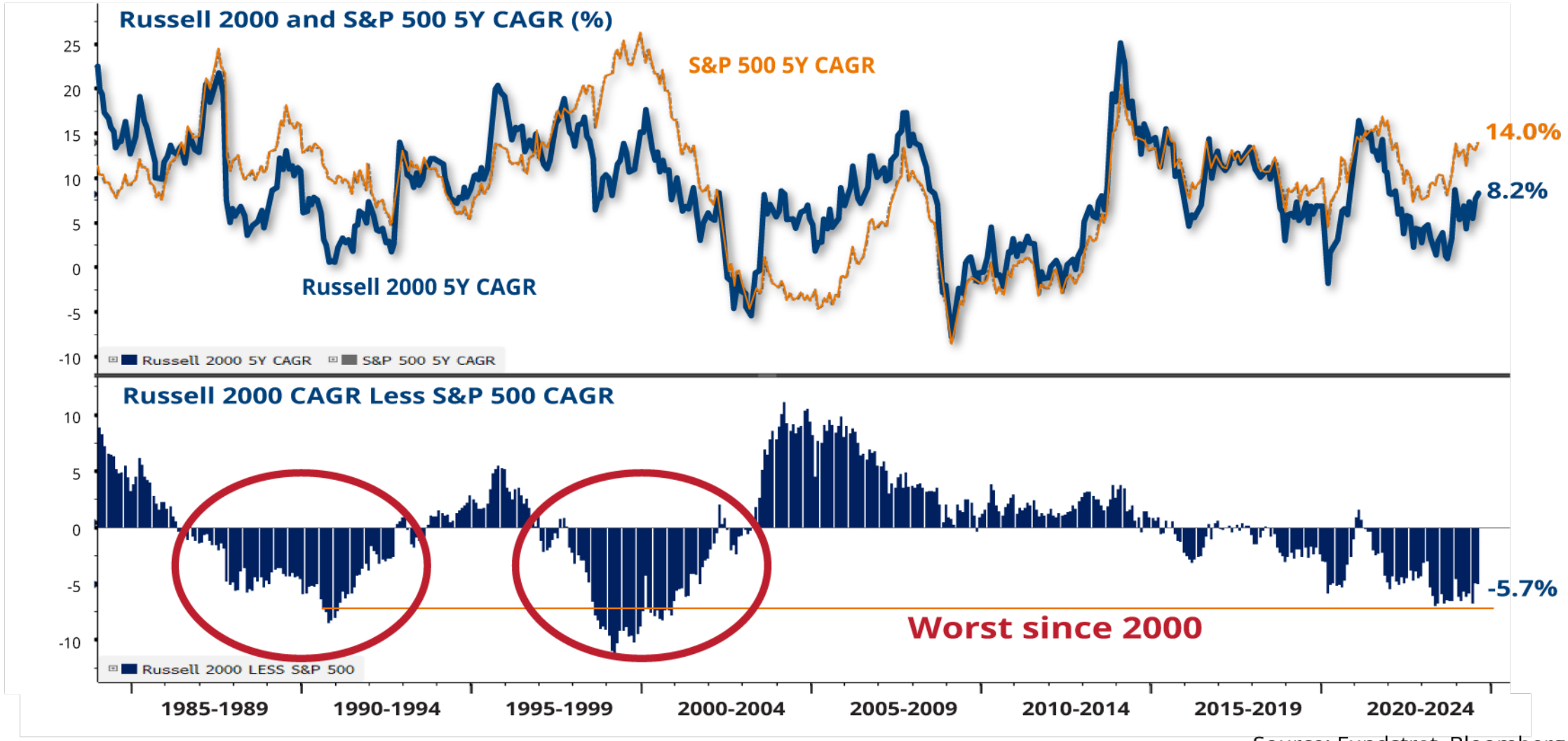
Source: Ned Davis Research, FTSE Russell

For illustrative purposes only. Past performance is not indicative of future results.

Russell 2000 and S&P 500 rolling 5Y annualized return

Since 1984

9/10/2024



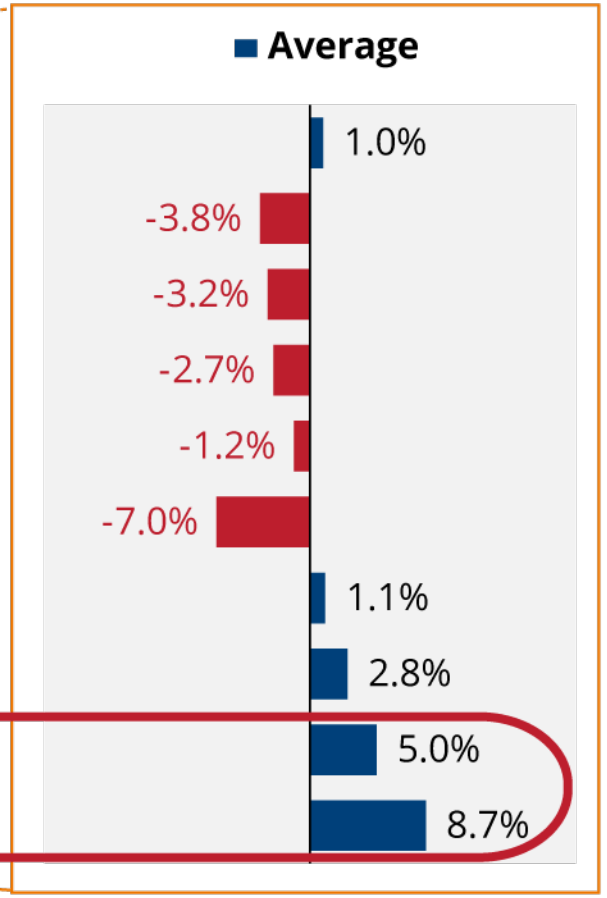
Source: Fundstrat, Bloomberg

For illustrative purposes only. Past performance is not indicative of future results.

Russell 2000 Against S&P 500 5Y Annualized Relative Underperformance by Decile

Since 1983

	5Y Underperformance of Russell 2000 against S&P 500 (performance annualized)			Russell 2000 - S&P 500 Performance					
				Forward Return			*CAGR*		
	Min	Max	n=	12M	24M	36M	12M	24M	36M
Decile 1	-0.6%	-0.0%	25	1%	-3%	-3%	1.0%	-1.4%	-0.9%
2	-1.3%	-0.6%	26	-4%	-7%	-11%	-3.8%	-3.6%	-3.9%
3	-2.0%	-1.3%	26	-3%	-6%	-10%	-3.2%	-2.9%	-3.4%
4	-2.7%	-2.0%	25	-3%	-3%	-8%	-2.7%	-1.4%	-2.7%
5	-3.7%	-2.8%	25	-1%	2%	1%	-1.2%	1.1%	0.3%
6	-4.5%	-3.7%	26	-7%	-6%	1%	-7.0%	-3.0%	0.2%
7	-5.2%	-4.5%	25	1%	-7%	-7%	1.1%	-3.8%	-2.4%
8	-6.1%	-5.2%	26	3%	1%	6%	2.8%	0.6%	2.1%
9	-7.6%	-6.1%	25	5%	13%	27%	5.0%	6.2%	8.4%
Decile 10	-11.3%	-7.6%	25	9%	17%	28%	8.7%	8.3%	8.6%



We Are Here

Source: Fundstrat, Bloomberg

For illustrative purposes only. Past performance is not indicative of future results.

Forward P/E Ratios of S&P With & Without Megacap-8** (weekly)

1/1/2013 to 9/16/2024

**Price divided by consensus forward earnings forecast*

*** MegaCap-8 stocks Include Alphabet (Google), Amazon, Apple, Meta (Fasebook), Microsoft, Netflix, NVIDIA, and Tesla. Both classes of Alphabet are included.*

www.yardeni.com

For illustrative purposes only. Past performance is not indicative of future results.

Valuations by Style Boxes

As of 8/31/2024

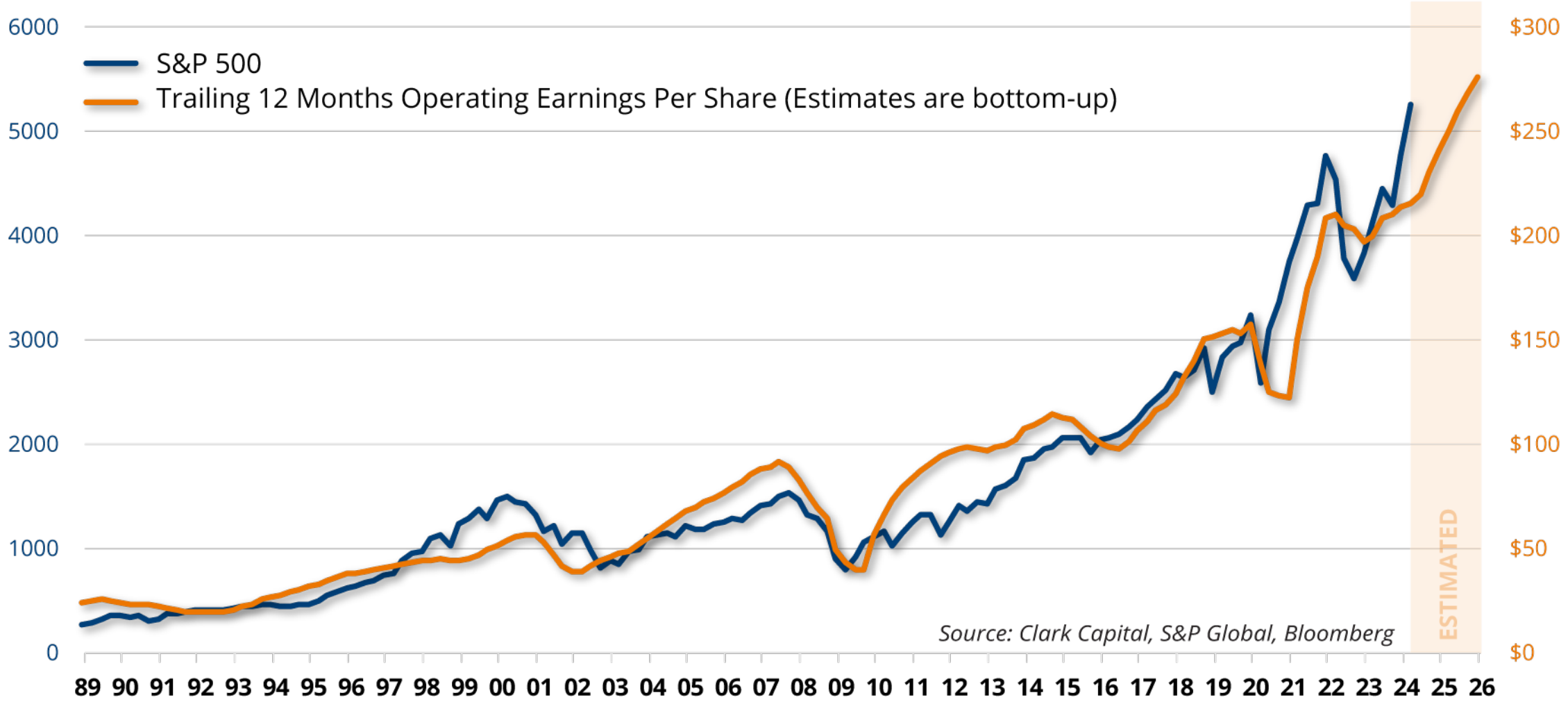
	VALUE	CORE	GROWTH
LARGE	17.18	21.96	27.94
MID	14.62	16.65	19.15
SMALL	15.77	16.49	17.27

For illustrative purposes only. Past performance is not indicative of future results.

Source: S&P Dow Jones Indices

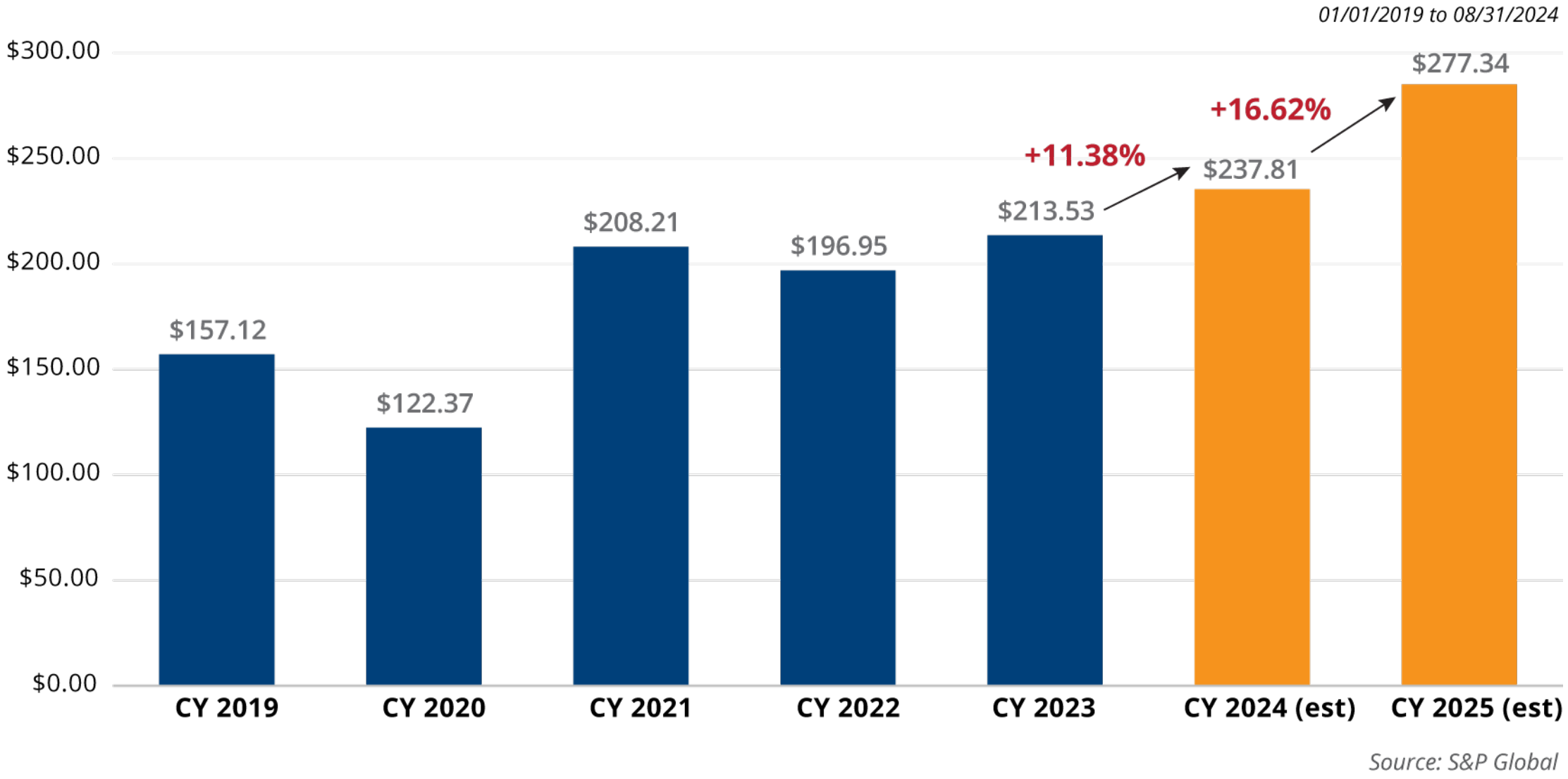
S&P 500 vs. Operating Earnings

12/31/1988 to 12/31/2025 (est.)



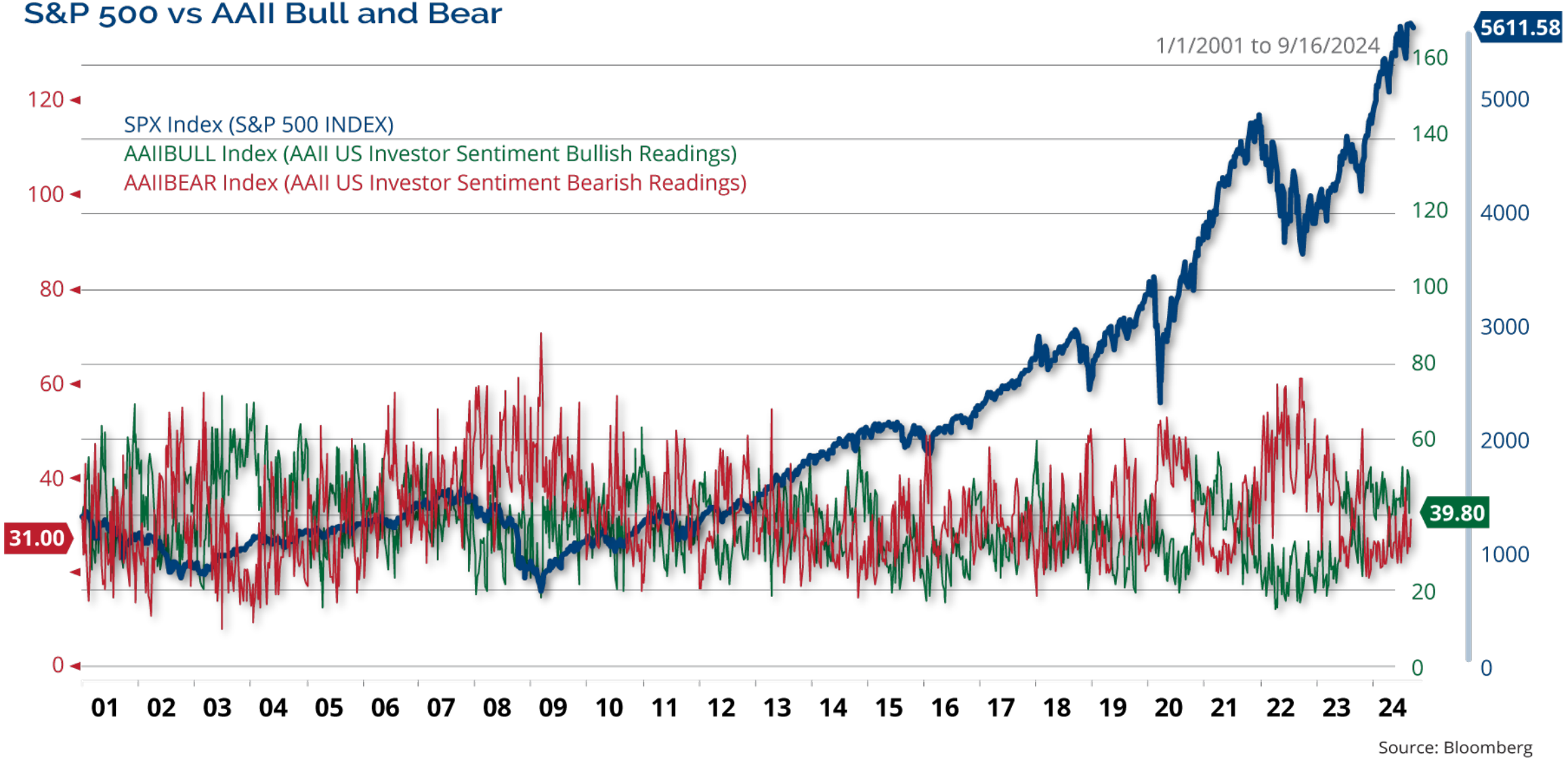
For illustrative purposes only. Past performance is not indicative of future results.

S&P 500 Calendar Year Operating EPS Actuals & Estimates



For illustrative purposes. Past performance is not indicative of future results. Neither past actual, projections, and other forward looking statements regarding future financial performance of markets are only predictions, and actual events or results may differ materially.

S&P 500 vs AAII Bull and Bear

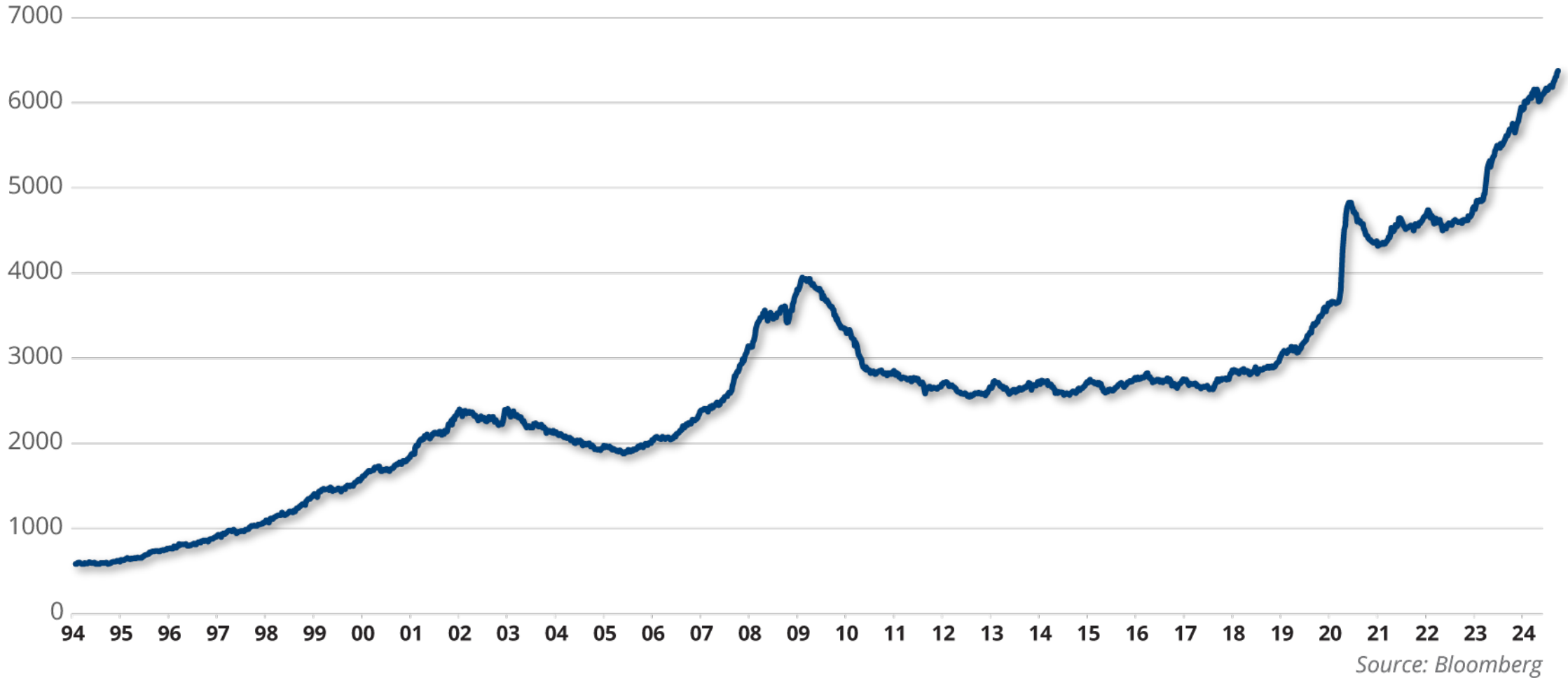


Source: Bloomberg

For illustrative purposes only. Past performance is not indicative of future results.

Money Market Fund Assets

12/29/1993 to 9/11/2024



Source: Bloomberg

For illustrative purposes only. Past performance is not indicative of future results.

S&P 500 Historical 2H Performances

Since 1950

+9.8% 2H

Median S&P 500 Performance

	N=	1H	Jul	Aug	Sep	Oct	Nov	Dec	2H
1H >10%	23	14.7%	3.1%	-0.6%	1.0%	2.0%	2.2%	2.9%	**9.8%**
1H Positive	51	8.9%	1.6%	0.6%	-0.1%	0.9%	1.9%	1.8%	6.7%
All Years since 1950	74	5.0%	1.3%	0.5%	-0.4%	1.0%	2.0%	1.5%	5.6%
1H Negative	23	-7.3%	-0.2%	0.5%	-2.5%	1.8%	2.7%	0.8%	2.1%
1H <-10%	8	-13.3%	1.4%	0.9%	-6.9%	4.2%	4.2%	1.1%	-2.5%

83% win-ratio

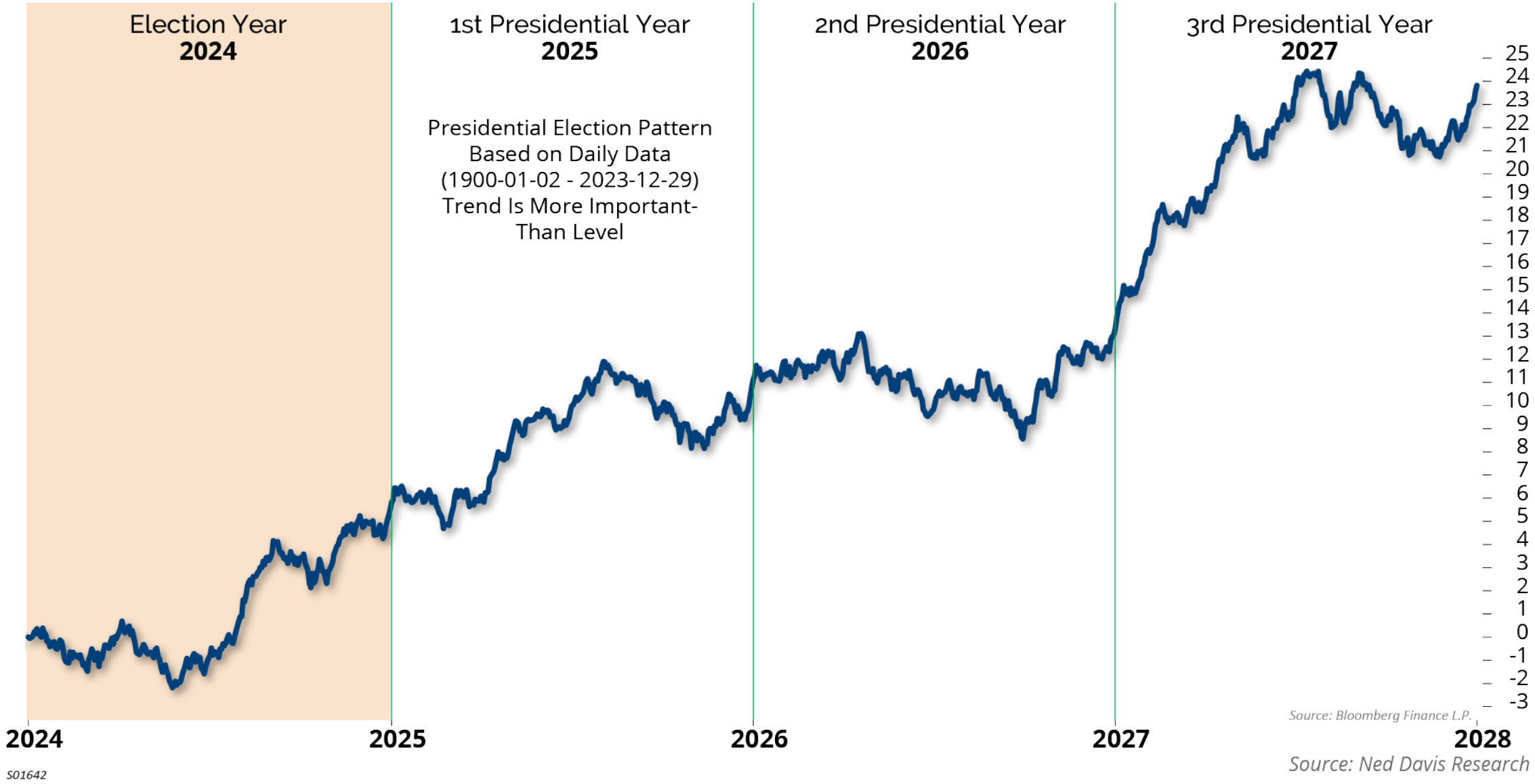
Win Ratio

	N=	1H	Jul	Aug	Sep	Oct	Nov	Dec	2H
1H >10%	23	100%	65%	39%	52%	57%	78%	83%	**83%**
1H Positive	51	100%	65%	55%	47%	59%	73%	76%	78%
All Years since 1950	74	69%	59%	54%	43%	59%	69%	74%	72%
1H Negative	23	0%	48%	52%	35%	61%	61%	70%	57%
1H <-10%	8	0%	50%	63%	38%	63%	63%	63%	50%

Source: Fundstrat, Bloomberg

For illustrative purposes only. Past performance is not indicative of future results.

Dow Industrials Four-Year Presidential Cycle



For illustrative purposes only. Past performance is not indicative of future results. Neither past actual, projections, nor other forward looking statements regarding future financial performance of markets are only predictions and actual events or results may differ materially.

Delivered Vol Peaks during Election Years

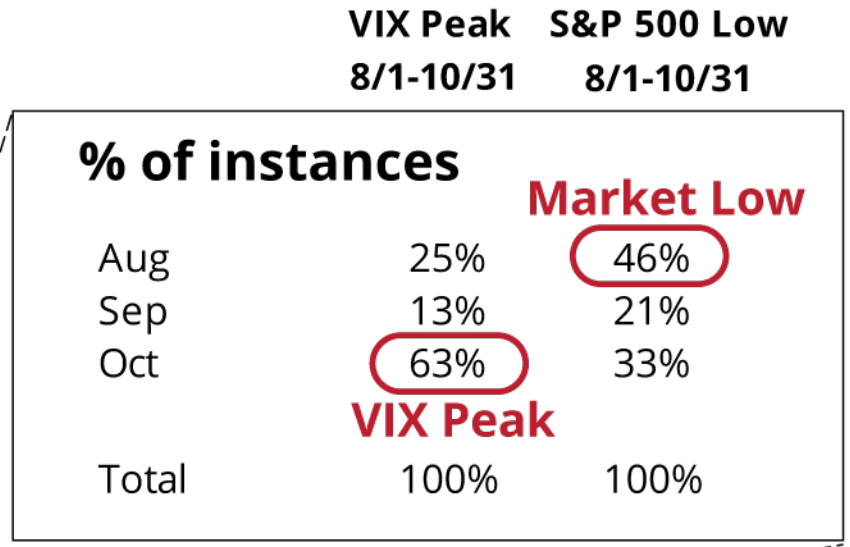
Since 1928

As of 9/10/2024

	Year	VIX Peak 8/1-10/31	S&P 500 Low 8/1-10/31
1	1928	8/1	8/14
2	1932	10/14	8/2
3	1936	9/8	8/21
4	1940	9/12	8/16
5	1944	10/4	9/14
6	1948	8/12	9/27
7	1952	10/31	10/22
8	1956	10/17	10/1
9	1960	10/6	10/25
10	1964	9/2	8/26
11	1968	8/12	8/2
12	1972	10/24	10/16
13	1976	10/14	10/22
14	1980	10/27	8/5
15	1984	8/9	8/1
16	1988	9/7	8/22
17	1992	10/13	10/9
18	1996	8/5	9/5
19	2000	10/27	10/12
20	2004	8/18	8/12
21	2008	10/28	10/27
22	2012	8/3	8/2
23	2016	10/10	9/14
24	2020	10/5	9/23

% of instances	VIX Peak 8/1-10/31	S&P 500 Low 8/1-10/31
Aug	25%	46%
Sep	13%	21%
Oct	63%	33%
Total	100%	100%

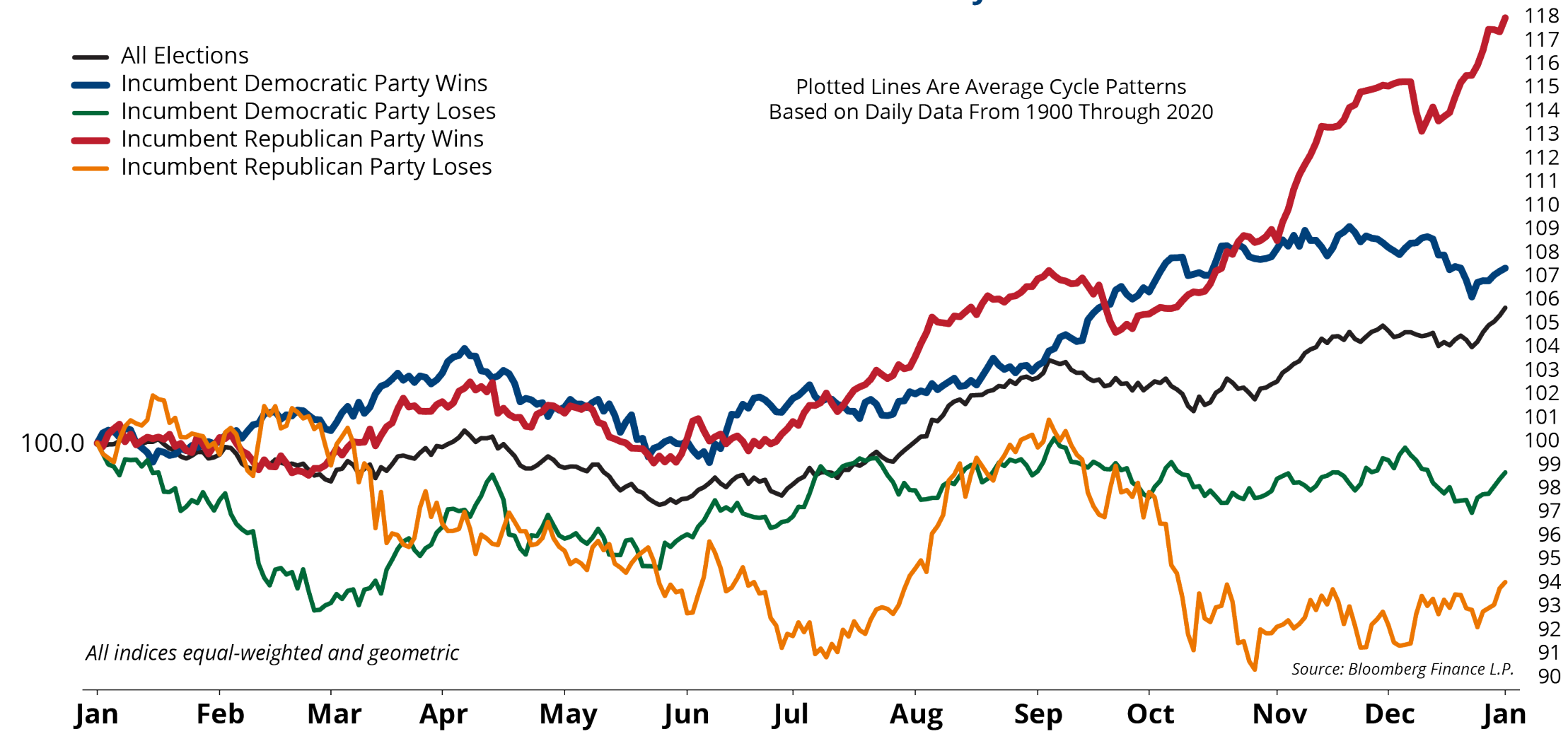
25	2024	8/15	8/5



Source: Fundstrat, Bloomberg

For illustrative purposes only. Past performance is not indicative of future results.

Dow Industrials — Presidential Election Year Cycle II



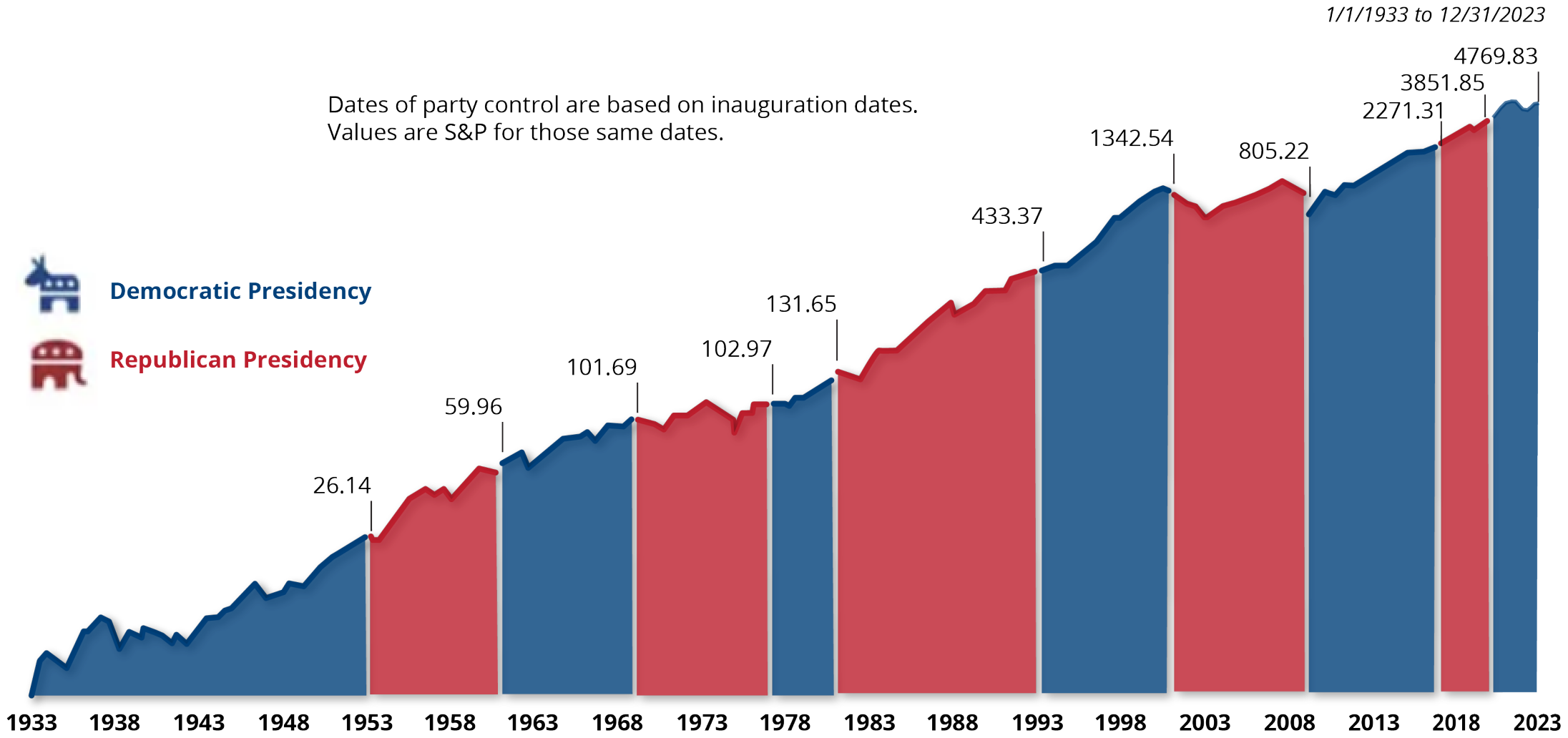
S01638

Source: Ned Davis Research

For illustrative purposes only. Past performance is not indicative of future results.

Over Time Stocks Have Gone Up…Despite Washington!

S&P 500 Index Performance



Source: Morningstar, Standard & Poor's, Financialsamurai.com

For illustrative purposes. Past performance is not indicative of future results. Neither past actual, projections, nor other forward looking statements regarding future financial performance of markets are only predictions and actual events or results may differ materially.

Q&A

Disclosure

The opinions expressed are those of Clark Capital Management Group. The opinions referenced are as of the date of publication and are subject to change due to changes in the market or economic conditions and may not necessarily come to pass. There is no guarantee of the future performance of any Clark Capital investment portfolio. Material presented has been derived from sources considered to be reliable, but the accuracy and completeness cannot be guaranteed. Nothing herein should be construed as a solicitation, recommendation or an offer to buy, sell or hold any securities, other investments or to adopt any investment strategy or strategies. For educational use only. This information is not intended to serve as investment advice. This material is not intended to be relied upon as a forecast or research. The investment or strategy discussed may not be suitable for all investors. Investors must make their own decisions based on their specific investment objectives and financial circumstances. Past performance does not guarantee future results.

This document may contain certain information that constitutes forward-looking statements which can be identified by the use of forward-looking terminology such as "may," "expect," "will," "hope," "forecast," "intend," "target," "believe," and/or comparable terminology (or the negative thereof). No assurance, representation, or warranty is made by any person that any of Clark Capital's assumptions, expectations, objectives, and/or goals will be achieved. Nothing contained in this document may be relied upon as a guarantee, promise, assurance, or representation as to the future.

Clark Capital Management Group, Inc. is an investment adviser registered with the U.S. Securities and Exchange. Commission Registration does not imply a certain level of skill or training. More information about Clark Capital's advisory services can be found in its Form ADV which is available upon request.

Index returns include the reinvestment of income and dividends. The returns for these unmanaged indexes do not include any transaction costs, management fees or other costs. It is not possible to make an investment directly in any index.

Fixed income securities are subject to certain risks including, but not limited to: interest rate (changes in interest rates may cause a decline in market value or an investment), credit, prepayment, call (some bonds allow the issuer to call a bond for redemption before it matures), and extension (principal repayments may not occur as quickly as anticipated, causing the expected maturity of a security to increase).

Non-investment-grade debt securities (high-yield/junk bonds) may be subject to greater market fluctuations, risk of default or loss of income and principal than higher-rated securities.

CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

CCM-648

Benchmark Descriptions

The S&P 500 measures the performance of the 500 leading companies in leading industries of the U.S. economy, capturing 75% of U.S. equities.

The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower expected growth values.

The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values.

The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.

The Russell 2000 Index measures the performance of the 2000 smallest U.S. companies based on total market capitalization in the Russell 3000, which represents approximately 10% of Russell 3000 total market capitalization.

The Russell 3000 Index measures the performance of the 3000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

The MSCI World ex US Index is a market capitalization-weighted index designed to measure equity performance in 22 global developed markets, excluding the United States. The benchmark for this composite is used because the MSCI World Ex US Net Index is generally representative of international equities.

BBgBarc U.S. Aggregate Bond Index covers the U.S. investment-grade fixed-rate bond market, including government and credit securities, agency mortgage pass-through securities, asset-backed securities and commercial mortgage-based securities. To qualify for inclusion, a bond or security must have at least one year to final maturity, and be rated investment grade Baa3 or better, dollar denominated, non-convertible, fixed rate and publicly issued.

The BBgBarc US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. Treasury bills are excluded by the maturity constraint but are part of a separate Short Treasury Index. STRIPS are excluded from the index because their inclusion would result in double-counting. The US Treasury Index is a component of the US Aggregate, US Universal, Global Aggregate and Global Treasury Indices.

The BBgBarc US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers. The US Corporate Index is a component of the US Credit and US Aggregate Indices, and provided the necessary inclusion rules are met, US Corporate Index securities also contribute to the multi-currency Global Aggregate Index.

The Barclays U.S. Corporate High-Yield Index, which covers the U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below.

The BBgBarc U.S. Corporate High-Yield Index covers the U.S. dollar-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below.

The BBgBarc U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

Created by the Chicago Board Options Exchange (CBOE), the Volatility Index, or VIX, is a real-time market index that represents the market's expectation of 30-day forward-looking volatility. Derived from the price inputs of the S&P 500 index options, it provides a measure of market risk and investors' sentiments.

The 10-year Treasury note is a debt obligation issued by the United States government with a maturity of 10 years upon initial issuance. A 10-year Treasury note pays interest at a fixed rate once every six months and pays the face value to the holder at maturity.

The Dow Jones Industrial Average is the most widely used indicator of the overall condition of the stock market, a price-weighted average of 30 actively traded blue chip stocks, primarily industrials. The 30 stocks are chosen by the editors of the Wall Street Journal (which is published by Dow Jones & Company), a practice that dates back to the beginning of the century. The Dow is computed using a price-weighted indexing system, rather than the more common market cap-weighted indexing system.

Index returns include the reinvestment of income and dividends. The returns for these unmanaged indexes do not include any transaction costs, management fees or other costs. It is not possible to make an investment directly in any index.

The volatility (beta) of an account may be greater or less than its respective benchmark.

GDP measures the monetary value of final goods and services—that is, those that are bought by the final user—produced in a country in a given period of time (say a quarter or a year). It counts all of the output generated within the borders of a country.

The nonfarm payroll measures the number of workers in the U.S. except those in farming, private households, proprietors, non-profit employees, and active military.

A leading indicator is economic data that may correspond with a future movement or change in the economy. Leading economic indicators can help to predict an occurrence or forecast the timing of events and trends in business, markets, and the economy. the U.S. stock market.

Benchmark Descriptions

A Treasury yield is the effective annual interest rate paid by the U.S. government to a bondholder.

The Daily Moving Average is a technical indicator used to analyze price trends over a security's average closing price over a period of time.

The MSCI USA Index is designed to measure the performance of the large and mid cap segments of the US market. With 638 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in the US.

Earnings per share (EPS) is a measure of a company's profitability, calculated by dividing quarterly or annual income (minus dividends) by the number of outstanding stock shares. The higher a company's EPS, the greater the profit and value perceived by investors.

The Producer Price Index (PPI) program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services.

The PCED price index, released each month in the Personal Income and Outlays report, reflects changes in the prices of goods and services purchased by consumers in the United States. Quarterly and annual data are included in the GDP release.

The Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them. Changes in the CPI are used to assess price changes associated with the cost of living.

The ISM Services PMI (formerly the Non-Manufacturing NMI) is an index based on surveys of more than 400 non-manufacturing firms purchasing and supply executives, within 60 sectors across the nation, by the Institute of Supply Management (ISM). The ISM Non-Manufacturing Index tracks economic data, like the ISM Non-Manufacturing Business Activity Index. A composite diffusion index is created based on the data from these surveys, that monitors economic conditions of the nation.

TIPS pay a fixed rate of interest every six months until they mature. Because we pay interest on the adjusted principal, the amount of interest payment also varies. You can hold a TIPS until it matures or sell it before it matures.

E-mini S&P 500 futures are traded on the Chicago Mercantile Exchange (CME) and allow traders to gain exposure to the S&P 500 index, a widely recognized barometer of the U.S. stock market.

S&P 500 Cycle Composite places equal weight on one-year seasonal cycle, four year presidential cycle, and the 10-Year decennial cycle.

deGraaf Thrust Indicator: The deGraaf Thrust Indicator triggers a bullish signal when over 60% of issues make 20-day highs.

AAII Bull and Bear: The AAII Sentiment Survey measures the percentage of individuals who are bullish, bearish, and neutral about the stock market over the next six months.

S&P 500 1H>10% and 2H Returns

Since 1950

	S&P 500 1H >10%				S&P 500 2H Returns						
	Year	1H	Bear Market	Recession	Jul	Aug	Sep	Oct	Nov	Dec	2H
1	1954	18%			6%	-3%	8%	-2%	8%	5%	23%
2	1955	14%			6%	-1%	1%	-3%	7%	-0%	11%
3	1958	13%			4%	1%	5%	3%	2%	5%	22%
4	1961	11%			3%	2%	-2%	3%	4%	0%	11%
5	1967	13%			5%	-1%	3%	-3%	0%	3%	6%
6	1975	39%			-7%	-2%	-3%	6%	2%	-1%	-5%
7	1976	16%			-1%	-1%	2%	-2%	-1%	5%	3%
8	1983	20%			-3%	1%	1%	-2%	2%	-1%	-2%
9	1985	15%			-0%	-1%	-3%	4%	7%	5%	10%
10	1986	19%			-6%	7%	-9%	5%	2%	-3%	-3%
11	1987	26%	x		5%	3%	-2%	-22%	-9%	7%	-19%
	All Instances (N=23)										
	Average	16%			2%	-1%	0%	1%	2%	3%	8%
	Median	15%			3%	-1%	1%	2%	2%	3%	10%
	Win Ratio				65%	39%	52%	57%	78%	83%	83%
	Ex-Recessions and Bear Markets (N=22)										
	Average	16%			2%	-1%	1%	2%	3%	3%	9%
	Median	15%			3%	-1%	1%	2%	2%	3%	10%
	Win Ratio				64%	36%	55%	59%	82%	82%	86%
24	2024	15%			1%	1%					

Post-Volcker

Source: Fundstrat, Bloomberg

For illustrative purposes only. Past performance is not indicative of future results.

S&P 500 Index Around First Fed Rate Cuts vs. Speed of Cuts

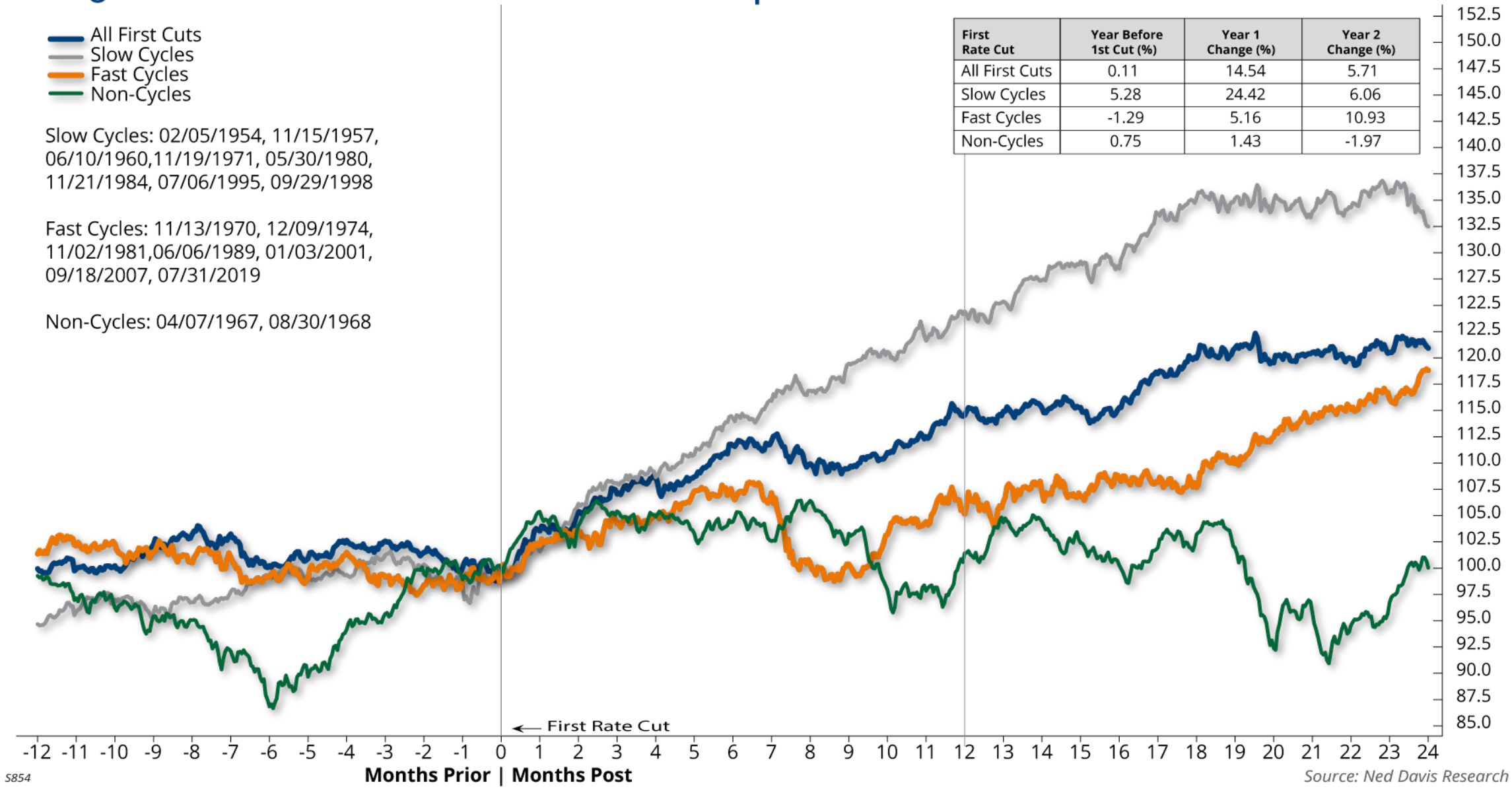
All First Cuts
Slow Cycles
Fast Cycles
Non-Cycles

Slow Cycles: 02/05/1954, 11/15/1957, 06/10/1960,11/19/1971, 05/30/1980, 11/21/1984, 07/06/1995, 09/29/1998

Fast Cycles: 11/13/1970, 12/09/1974, 11/02/1981,06/06/1989, 01/03/2001, 09/18/2007, 07/31/2019

Non-Cycles: 04/07/1967, 08/30/1968

First Rate Cut	Year Before 1st Cut (%)	Year 1 Change (%)	Year 2 Change (%)
All First Cuts	0.11	14.54	5.71
Slow Cycles	5.28	24.42	6.06
Fast Cycles	-1.29	5.16	10.93
Non-Cycles	0.75	1.43	-1.97



S854

Source: Ned Davis Research

For illustrative purposes only. Past performance is not indicative of future results.