

SECULAR BULL & BEAR MARKETS PROFILE

| Market Cycle | (#) | | | P/E Ratio | Inflation | (#) | (#) | (%) | (%) | Max | Max | Avg Gain | Avg Loss | Change |
|--|-------|-------|--------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| From | To | Total | Market | Beg. | End | Positive | Negative | Positive | Negative | Pos. Yrs | Neg. Yrs | In Pos. | In Neg. | Begin To |
| Years | Years | Years | | | | Years | Years | Years | Years | In Row | In Row | Years | Years | End |
| 1901 | 1920 | 20 | BEAR | 23 | 5 | -2% | 16% | 9 | 11 | 45% | 55% | 2 | 3 | 2% |
| 1921 | 1928 | 8 | BULL | 5 | 22 | -11% | -2% | 7 | 1 | 88% | 13% | 5 | 1 | 317% |
| 1929 | 1932 | 4 | BEAR | 28 | 8 | 0% | -10% | 0 | 4 | 0% | 100% | 0 | 4 | -80% |
| 1933 | 1936 | 4 | BULL | 11 | 19 | -5% | 1% | 4 | 0 | 100% | 0% | 4 | 0 | 200% |
| 1937 | 1941 | 5 | BEAR | 19 | 12 | 4% | 5% | 1 | 4 | 20% | 80% | 1 | 3 | -38% |
| 1942 | 1965 | 24 | BULL | 9 | 23 | 11% | 2% | 18 | 6 | 75% | 25% | 4 | 1 | 774% |
| 1966 | 1981 | 16 | BEAR | 21 | 9 | 3% | 10% | 9 | 7 | 56% | 44% | 3 | 2 | -10% |
| 1982 | 1999 | 18 | BULL | 7 | 42 | 6% | 2% | 16 | 2 | 89% | 11% | 9 | 1 | 1214% |
| 2000 | ???? | | BEAR | 42 | | 3% | | 0 | 3 | 0% | 100% | 0 | 3 | -27% |
| WEIGHTED AVERAGE BEAR (excluding 2000) | | | | | | | | | | 42% | 58% | 2.1 | 2.7 | -14% |
| WEIGHTED AVERAGE BULL | | | | | | | | | | 83% | 17% | 5.8 | 0.9 | 810% |

Notes: The index and returns reflect the Dow Jones Industrial Average at year-end from Dow Jones & Company. The P/E ratio is based upon the S&P 500 as developed and presented by Robert Shiller (Yale; Irrational Exuberance). Bull & Bear Market classifications are based upon Crestmont's assessment of cycles using peak and trough P/E ratios, inflation trends, and other analysis. The presentation does not include dividends, taxes, inflation adjustments, or transaction costs.

| RETURN PATTERN (Red = Bear; Green = Bull) | | Starting and ending DJIA index is presented on the ends of the rows | |
|---|-------|---|-------|
| 1901 - 1920: BEAR | 71 | -9% | 72 |
| P/E Ratio | 23 | -2% | |
| CPI: Inflation | -2% | | |
| 1921 - 1928: BULL | 72 | 13% | 300 |
| P/E Ratio | 5 | -11% | |
| CPI: Inflation | -11% | | |
| 1929 - 1932: BEAR | 300 | -17% | 60 |
| P/E Ratio | 28 | 0% | |
| CPI: Inflation | 0% | | |
| 1933 - 1936: BULL | 60 | 67% | 180 |
| P/E Ratio | 11 | -5% | |
| CPI: Inflation | -5% | | |
| 1937 - 1941: BEAR | 180 | -33% | 111 |
| P/E Ratio | 19 | 4% | |
| CPI: Inflation | 4% | | |
| 1942 - 1965: BULL | 111 | 8% | 969 |
| P/E Ratio | 9 | 11% | |
| CPI: Inflation | 11% | | |
| 1966 - 1981: BEAR | 969 | -19% | 875 |
| P/E Ratio | 21 | 3% | |
| CPI: Inflation | 3% | | |
| 1982 - 1999: BULL | 875 | 20% | 11497 |
| P/E Ratio | 7 | 6% | |
| CPI: Inflation | 6% | | |
| 2000 - ????: BEAR | 11497 | -6% | |
| P/E Ratio | 42 | 3% | |
| CPI: Inflation | 3% | | |

On the top of the page, various measures and statistics are listed for each of the cycle periods.

Note that Secular Bull cycles are generally long series of positive years due to P/E ratios trending upward and inflation trending toward price stability.

Secular Bear cycles tend to be choppy, mixed performance periods resulting from P/E ratios trending down and inflation trending toward higher inflation or deflation.

The annual returns for each year in the cycle are presented here; up years are shaded green and down years are red; the P/E ratio and inflation for each year are presented as well.

The value of the Dow Jones Industrial Average at the beginning and end of each period are presented here.