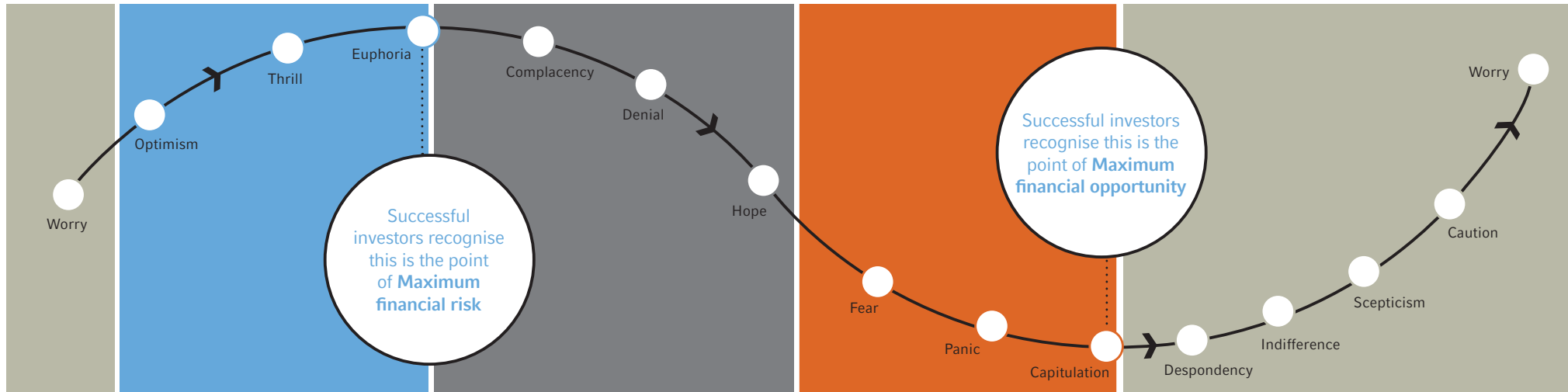


THE CYCLE OF MARKET EMOTIONS



	OPTIMISM	THRILL	EUPHORIA	COMPLACENCY	DENIAL	HOPE	PANIC	CAPITULATION	DESPONDENCY	SCEPTICISM	CAUTION	WORRY
Market Cycle 1	25% Nov 1971 – Dec 1972 • Inflationary pressures • Productivity improvements • Rapid corporate earnings growth • Introduction of paperless technology			-19% Jan 1973 – Jan 1973 • OPEC Oil crisis – crude oil prices tripled • Inflation • Credit squeeze • Property company failures			-24% Mar 1974 – Nov 1974 • Global recession • Extended bear market				36% Dec 1974 – Jun 1975 • Share market recovery despite recession	
Market Cycle 2	119% Aug 1984 – Aug 1987 • Credit boom • Strong world economic growth			-2% Sep 1987 • Irrational shareholder sentiment • Peak of overinflated stock values vs historical PEs			-28% Oct 1987 – Nov 1987 • 1987 Global stock market crash				53% Dec 1987 – Dec 1989 • Share market recovery as value hunters sought to buy quality stocks cheaply	
Market Cycle 3	90% April 1997 – Sep 2000 • Tech boom. Investor exuberance • Emergence of 'new economy' sectors			-28% Oct 2000 – Sep 2001 • Tech bubble burst • September 11 terrorist attack			-22% Mar 2002 – Feb 2003 • Reduced global economic growth forecasts • Extended bear market • Corporate accounting scandals				42% Mar 2003 – May 2005 • Geopolitical uncertainty • Refocus on world economic fundamentals • Boom in resources in response to industrialisation of China	
Market Cycle 4	22% Jun 2005 – Jul 2007 • US home prices hit highs • Credit boom • Higher interest rates			-20% Aug 2007 – Sep 2008 • Credit crunch. Sub-prime mortgage crisis. CDO failures • Lehman Brothers declares bankruptcy			-37% Oct 2008 – Feb 2009 • Global financial crisis • European and U.S. recessions. Negative real GDP reported for major developed countries in Q4 2008				174% Mar 2009 – Oct 2014 • Global stock market recovery • Deleveraging, slow economic growth	
Market Cycle 5	60% Nov 2014 – Dec 2018 • Unemployment rates falling • Economy normalises • Profit margins elevated			-8% Feb 2020 • COVID-19 crisis			-24% Feb 2020 – Mar 2020 • COVID-19 pandemic • -24% to 23rd March				46% Mar 2020 – Oct 2020 • COVID-19 pandemic • Global stock market recovery • 23rd March market rebound	
Market Cycle 6	46% Oct 2020 – Dec 2021 • Early stage of economic recovery • COVID vaccine roll out • Continued policy support			0% Jan 2022 - Dec 2023* • High inflation leads to rapid interest rate increases, leading to recession concerns • Economy proves resilient, and central banks reach the peak of interest rates								

*Latest month-end data available at the time of publishing as at 31 December 2023.

Market cycle returns calculated using S&P500 Price Index (in USD). Indexes are unmanaged, cannot be invested in directly, and do not take into account any fees and costs associated with an actual investment. Issued by Russell Investment Management Ltd ABN 53 068 338 974, AFS Licence 247185 (RIM). This document provides general information only and has not been prepared having regard to your objectives, financial situation or needs. Before making an investment decision, you need to consider whether this information is appropriate to your objectives, financial situation or needs. This information has been compiled from sources considered to be reliable, but is not guaranteed. This document is not intended to be a complete statement or summary. This work is copyright 2024. Apart from any use permitted under the Copyright Act 1968, no part may be reproduced by any process, nor may any other exclusive right be exercised, without the permission of Russell Investment Management Ltd.