

The End of a Historic Decade

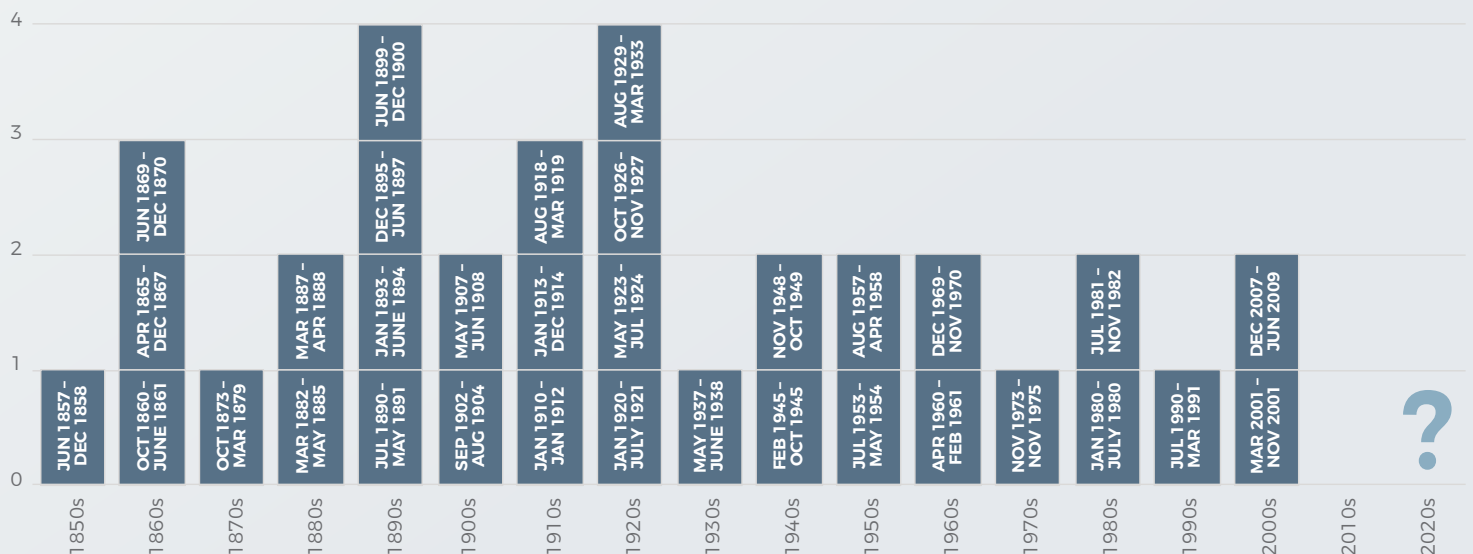
A REALITY CHECK...

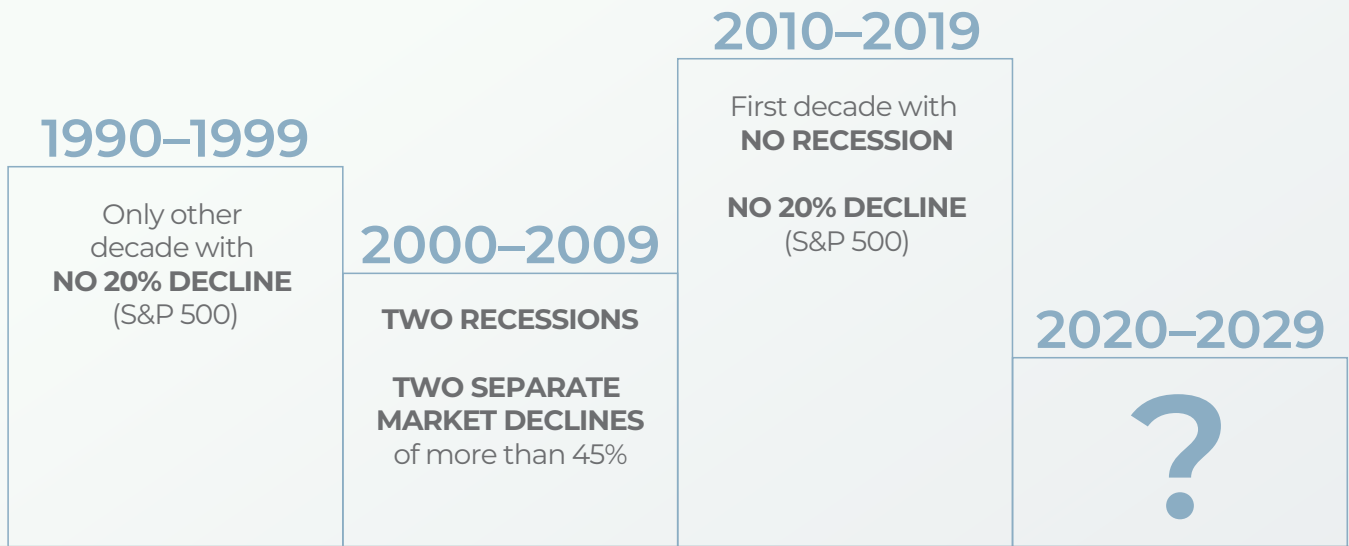
As we enter a new decade, it is important to take a moment and reflect on what has occurred and learn from the past.

The last ten years provided strong investment returns fueled by slow-and-steady economic growth. It is easy to understand why many investors have likely become complacent in this current “Goldilocks Economy”—it may not be too hot, or too cold and seems to be “just right.” At Meeder, we believe that the one thing you can always count on is change. That’s why we think it’s important to take a closer look at some specific examples of why we believe that has been such a historic decade.

1. **The U.S. economy expanded for a record 126 consecutive months** through the close of 2019, making it the first decade in U.S. history without an economic recession. The National Bureau of Economic Research (NBER) tracks U.S. expansions and recessions going back to 1850. There has never been a decade without a recession before the 2010s.
2. **The S&P 500 never experienced a drawdown of 20% during the past decade**—this has only happened one other time in the past 100 years, and that was the 1990s.

U.S. RECESSIONS BY DECADE





The 1990s were the only other decade in the past 100 years to avoid an S&P 500 drawdown of 20% or greater. Let’s reflect on what happened in the decade that followed.

THE 2000s

- » Two separate declines of more than 45%
- » Two recessions, including “The Great Recession,” the worst economic contraction since the 1929 Great Depression
- » Negative annual returns in 4 out of 10 years
- » Finished decade in negative territory for first time since the 1930s.

Are we predicting for this to happen during the next 10 years? Certainly not. But it does bring to mind a popular quote; “History does not repeat itself, but it often rhymes.” At Meeder, we believe that now is not the time to get complacent. It may be reasonable to assume the next decade will be more volatile than the last. Statistically speaking, one must realize how unique the past decade was and the probability of the 2020s repeating this type of performance is very low. If there is one thing we can count on, it’s change.

OUR MISSION

As we begin a new decade, it is important to remember Meeder’s goal. We are dedicated to keeping clients committed to their investment strategy through a full market cycle. To achieve this objective, our tactical funds and portfolios aim to reduce equity exposure when market risk is high and increase equity exposure when market risk is low. We believe our systematic approach, based on the highest probability outcomes, will generate a better risk-adjusted return over a full market cycle.

If you have questions or would like to talk about your individual situation, please reach out to the professionals at Meeder by calling 866.633.3371, or visit us online at meederinvestment.com.

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