

SECULAR BULL & BEAR MARKETS PROFILE

Market Cycle From	Market Cycle To	(#) Total Years	Market	P/E Ratio Beg.	P/E Ratio End	Inflation Beg.	Inflation End	(#) Positive Years	(#) Negative Years	(%) Positive Years	(%) Negative Years	Max Pos. Yrs In Row	Max Neg. Yrs In Row	Avg Gain In Pos. Years	Avg Loss In Neg. Years	Change Begin To End
1901	1920	20	BEAR	23	5	-2%	16%	9	11	45%	55%	2	3	30%	-17%	2%
1921	1928	8	BULL	5	22	-11%	-2%	7	1	88%	13%	5	1	24%	-3%	317%
1929	1932	4	BEAR	28	8	0%	-10%	0	4	0%	100%	0	4	n/a	-32%	-80%
1933	1936	4	BULL	11	19	-5%	1%	4	0	100%	0%	4	0	34%	n/a	200%
1937	1941	5	BEAR	18	12	4%	5%	1	4	20%	80%	1	3	28%	-16%	-38%
1942	1965	24	BULL	9	23	11%	2%	18	6	75%	25%	4	1	16%	-8%	774%
1966	1981	16	BEAR	21	8	3%	10%	9	7	56%	44%	3	2	13%	-15%	-10%
1982	1999	18	BULL	7	42	6%	2%	16	2	89%	11%	9	1	18%	-4%	1214%
2000	????		BEAR	42		3%		4	5	44%	56%	2	3	13%	-13%	-24%
WEIGHTED AVERAGE BEAR (excluding 2000)										42%	58%	2.1	2.7	21%	-18%	-14%
WEIGHTED AVERAGE BULL										83%	17%	5.8	0.9	19%	-5%	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 = down year; Green = up year; #% = annual change in the index; starting and ending DJIA index is presented on the ends of the rows)																										
1901-1920: BEAR	71	-9%	0%	-24%	42%	38%	-2%	-38%	47%	15%	-18%	0%	8%	-10%	-31%	82%	-4%	-22%	11%	30%	-33%					72
P/E Ratio		23	22	18	16	19	19	13	13	15	14	14	14	12	11	12	12	9	6	7	5					
CPI: Inflation		-2%	6%	1%	0%	1%	3%	6%	-4%	8%	4%	-8%	7%	3%	1%	1%	8%	17%	18%	15%	16%					
1921-1928: BULL	72	13%	22%	-3%	26%	30%	0%	29%	48%																300	
P/E Ratio		5	8	8	8	10	12	16	22																	
CPI: Inflation		-11%	-6%	2%	0%	2%	1%	-2%	-2%																	
1929-1932: BEAR	300	-17%	-34%	-53%	-23%																60					
P/E Ratio		28	22	15	8																					
CPI: Inflation		0%	-2%	-9%	-10%																					
1933-1936: BULL	60	67%	4%	39%	25%																180					
P/E Ratio		11	12	13	19																					
CPI: Inflation		-5%	3%	2%	1%																					
1937-1941: BEAR	180	-33%	28%	-3%	-13%	-15%																111				
P/E Ratio		19	14	16	15	12																				
CPI: Inflation		4%	-2%	-1%	1%	5%																				
1942-1965: BULL	111	8%	14%	12%	27%	-8%	2%	-2%	13%	18%	14%	8%	-4%	44%	21%	2%	-13%	34%	16%	-9%	19%	-11%	17%	15%	11%	969
P/E Ratio		9	11	11	13	14	11	11	10	11	12	13	12	14	18	18	16	15	18	17	21	19	20	23	23	
CPI: Inflation		11%	6%	2%	2%	8%	14%	8%	-1%	1%	8%	2%	1%	1%	0%	1%	3%	3%	1%	2%	1%	1%	1%	1%	2%	
1966-1981: BEAR	969	-19%	15%	4%	-15%	5%	6%	15%	-17%	-28%	38%	18%	-17%	-3%	4%	15%	-9%									875
P/E Ratio		21	22	22	19	15	17	18	16	11	10	12	10	9	9	9	9									
CPI: Inflation		3%	3%	4%	5%	6%	4%	3%	6%	11%	9%	6%	7%	8%	11%	13%	10%									
1982-1999: BULL	875	20%	20%	-4%	28%	23%	2%	12%	27%	-4%	20%	4%	14%	2%	33%	26%	23%	16%	25%							11497
P/E Ratio		7	10	9	11	13	16	14	17	17	18	20	21	21	23	26	31	36	42							
CPI: Inflation		6%	3%	4%	4%	2%	4%	4%	5%	5%	4%	3%	3%	3%	3%	3%	2%	2%	2%							
2000-????: BEAR	11497	-6%	-7%	-17%	25%	3%	-1%	16%	6%	-34%																
P/E Ratio		42	32	26	24	26	26	26	27	21																
CPI: Inflation		3%	3%	2%	2%	3%	3%	3%	4%																	