

## SECULAR BULL & BEAR MARKETS PROFILE: 2011

Market Cycle From To	(#) Total Years	Market	P/E Ratio		Inflation		(#) 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
			Beg.	End	Beg.	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%		7	5	58%	42%	3	3	12%	-13%	6%
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)																										
<b>1901-1920: BEAR</b>	<b>71</b>	<b>-9%</b>	<b>0%</b>	<b>-24%</b>	<b>42%</b>	<b>38%</b>	<b>-2%</b>	<b>-38%</b>	<b>47%</b>	<b>15%</b>	<b>-18%</b>	<b>0%</b>	<b>8%</b>	<b>-10%</b>	<b>-31%</b>	<b>82%</b>	<b>-4%</b>	<b>-22%</b>	<b>11%</b>	<b>30%</b>	<b>-33%</b>					<b>72</b>
P/E Ratio		23	22	18	16	19	19	13	13	15	14	14	14	12	11	11	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%					
<b>1921-1928: BULL</b>	<b>72</b>	<b>13%</b>	<b>22%</b>	<b>-3%</b>	<b>26%</b>	<b>30%</b>	<b>0%</b>	<b>29%</b>	<b>48%</b>																	<b>300</b>
P/E Ratio		5	8	8	8	10	12	16	22																	
CPI: Inflation		-11%	-6%	2%	0%	2%	1%	-2%	-2%																	
<b>1929-1932: BEAR</b>	<b>300</b>	<b>-17%</b>	<b>-34%</b>	<b>-53%</b>	<b>-23%</b>																					<b>60</b>
P/E Ratio		28	21	15	8																					
CPI: Inflation		0%	-2%	-9%	-10%																					
<b>1933-1936: BULL</b>	<b>60</b>	<b>67%</b>	<b>4%</b>	<b>39%</b>	<b>25%</b>																					<b>180</b>
P/E Ratio		11	12	13	19																					
CPI: Inflation		-5%	3%	2%	1%																					
<b>1937-1941: BEAR</b>	<b>180</b>	<b>-33%</b>	<b>28%</b>	<b>-3%</b>	<b>-13%</b>	<b>-15%</b>																				<b>111</b>
P/E Ratio		18	14	16	15	12																				
CPI: Inflation		4%	-2%	-1%	1%	5%																				
<b>1942-1965: BULL</b>	<b>111</b>	<b>8%</b>	<b>14%</b>	<b>12%</b>	<b>27%</b>	<b>-8%</b>	<b>2%</b>	<b>-2%</b>	<b>13%</b>	<b>18%</b>	<b>14%</b>	<b>8%</b>	<b>-4%</b>	<b>44%</b>	<b>21%</b>	<b>2%</b>	<b>-13%</b>	<b>34%</b>	<b>16%</b>	<b>-9%</b>	<b>19%</b>	<b>-11%</b>	<b>17%</b>	<b>15%</b>	<b>11%</b>	<b>969</b>
P/E Ratio		9	11	11	13	14	11	11	10	11	12	12	12	14	18	18	16	15	18	17	20	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%	
<b>1966-1981: BEAR</b>	<b>969</b>	<b>-19%</b>	<b>15%</b>	<b>4%</b>	<b>-15%</b>	<b>5%</b>	<b>6%</b>	<b>15%</b>	<b>-17%</b>	<b>-28%</b>	<b>38%</b>	<b>18%</b>	<b>-17%</b>	<b>-3%</b>	<b>4%</b>	<b>15%</b>	<b>-9%</b>									<b>875</b>
P/E Ratio		21	22	21	19	15	17	18	16	11	10	12	10	9	9	9	8									
CPI: Inflation		3%	3%	4%	5%	6%	4%	3%	6%	11%	9%	6%	7%	8%	11%	13%	10%									
<b>1982-1999: BULL</b>	<b>875</b>	<b>20%</b>	<b>20%</b>	<b>-4%</b>	<b>28%</b>	<b>23%</b>	<b>2%</b>	<b>12%</b>	<b>27%</b>	<b>-4%</b>	<b>20%</b>	<b>4%</b>	<b>14%</b>	<b>2%</b>	<b>33%</b>	<b>26%</b>	<b>23%</b>	<b>16%</b>	<b>25%</b>							<b>11497</b>
P/E Ratio		7	10	9	11	13	16	14	17	16	18	20	21	20	23	26	31	36	42							
CPI: Inflation		6%	3%	4%	4%	2%	4%	4%	5%	5%	4%	3%	3%	3%	3%	3%	2%	3%	2%							
<b>2000-?????: BEAR</b>	<b>11497</b>	<b>-6%</b>	<b>-7%</b>	<b>-17%</b>	<b>25%</b>	<b>3%</b>	<b>-1%</b>	<b>16%</b>	<b>6%</b>	<b>-34%</b>	<b>19%</b>	<b>11%</b>	<b>6%</b>													
P/E Ratio		42	32	26	24	26	26	26	27	21	17	21	22													
CPI: Inflation		3%	3%	2%	2%	3%	3%	3%	3%	4%	0%	2%	3%													