Sell in May and Go Away! What is so Scary?

Performance of S&P 500 Index & 10 Major Sectors (May-October)

Year (May.-Oct.)	S&P 500 Total Return	# of Sectors Up	Top Sector Total Return	
2015	0.77%	6	Consumer Discretionary	**8.37%**
2014	8.22%	9	Health Care	**16.69%**
2013	11.14%	8	Industrials	**18.63%**
2012	2.16%	8	Telecom. Services	**11.96%**
2011	-7.11%	2	Utilities	**7.34%**
2010	0.74%	7	Telecom. Services	**17.15%**
2009	20.03%	10	Financials	**30.85%**
2008	-29.28%	0	Consumer Staples	**-11.43%**
2007	5.49%	8	Energy	**21.06%**
2006	6.11%	10	Telecom. Services	**17.12%**
2005	5.27%	8	Energy	**15.45%**
2004	2.96%	8	Energy	**18.26%**
2003	15.61%	10	Information Technology	**30.01%**

Source: Bloomberg. Past performance is no guarantee of future results.

View from the Observation Deck

1. The old axiom in the stock market about selling your stocks at the close of April and then buying back in at the start of November once made some sense from a seasonality standpoint.
2. When the U.S. was more of an industrialized economy it was not uncommon for plants and factories to close for a month or longer in the summer to retool and allow employees to vacation.
3. The theory was that companies would conduct less commerce in that six-month span, which would likely translate into lower earnings.
4. Today, due in large part to globalization, the world is far more interconnected and competitive, and there is less room for downtime, in our opinion.
5. Since 2003, which was the first year of a bull market, there have been just two instances (2008 & 2011) where the S&P 500 Index posted a negative total return from May through October, and the 2008 occurrence was during the financial crisis.
6. The average total return for the S&P 500 Index for the May through October periods in the chart was 3.24%, which is nothing to run from, in our opinion.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance, while the 10 major S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.