

# APPENDIX A

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## What Happens After the First Rate Hike? Usually, Good Things. Standard & Poor's 500 Performance After the First Fed Rate Hike

It is now almost entirely probable that the Federal Reserve hike rates for the first time in a new rate cycle sometime during the first half of 2022, most likely at the March Fed meeting.

Looking at the past 8 first hikes, stocks were higher a year later every single time.

### S&P 500 Index Future Returns

Date of First Rate Hike	Next Three Months	Next Six Months	Next Twelve Months
8/8/1983	2.0%	-0.7%	2.1%
4/1/1987	19.1%	20.9%	1.5%
5/11/1988	3.4%	8.6%	20.7%
2/4/1994	-5.9%	-2.5%	2.4%
3/25/1997	13.6%	20.6%	39.6%
6/30/1999	-7.6%	6.6%	6.0%
6/30/2004	-2.3%	6.4%	5.2%
12/16/2015	-1.1%	0.1%	9.1%
Average	2.7%	7.5%	10.8%
Median	0.5%	6.5%	5.6%
% Positive	50%	75%	100%

Source: LPL Research, Bloomberg