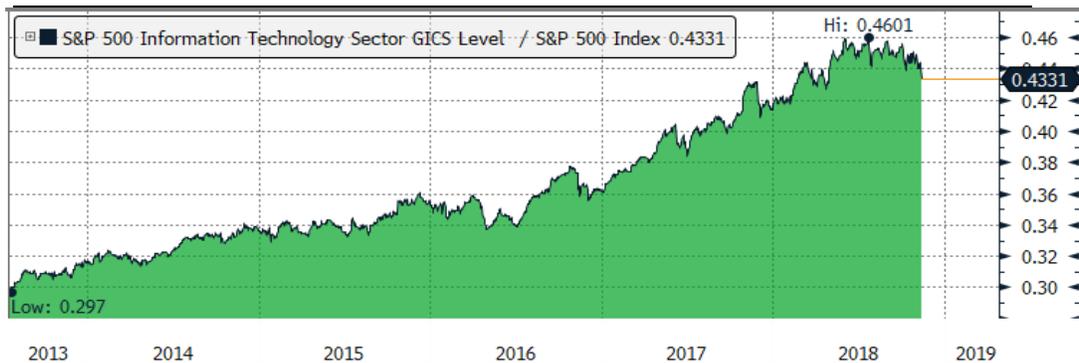




## Some thoughts on Tech volatility

**Technology is a volatile sector.** The S&P 500® Information Technology sector is now down 11% since the October peak, putting it officially in correction territory. Investors are becoming increasingly worried that this marks the beginning of the end for the sector’s impressive leadership over much of the past decade or more.

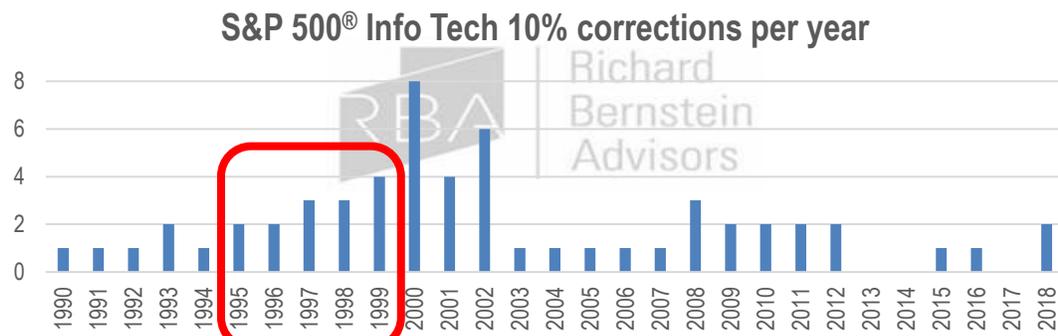
### Info Tech vs. S&P 500® relative performance since July 2013



Source: Richard Bernstein Advisors LLC, Bloomberg

With the return of overall equity volatility this year, we would not be surprised to see the sector to continue to exhibit disproportionately higher volatility for perhaps the duration of this cycle. But this has not historically meant that the sector is not a good investment. Even as recently as this past spring, Tech’s underperformance during the sell-off led to similar fears before the sector resumed its market leadership. Throughout the Tech Bubble, the sector had at least two 10% corrections each year from ‘95 through ‘99, while generating 29-79% returns in each of those years (four corrections and 79% returns in ‘99).

### Count of 10% pullbacks each year since 1990



Source: Richard Bernstein Advisors LLC, Bloomberg

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