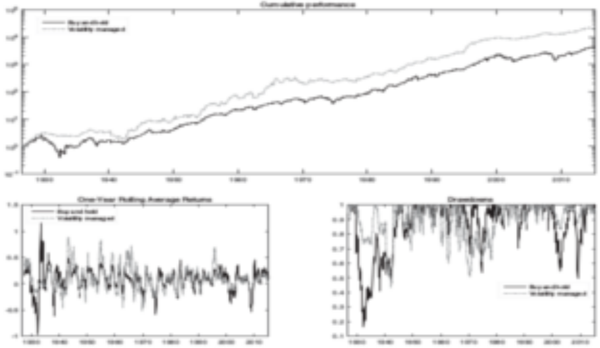

Figure 3. Cumulative returns to the volatility-managed market return. The top panel plots the cumulative returns to a buy-and-hold strategy versus a volatility-managed strategy for the market portfolio from 1926 to 2015. The y-axis is on a log scale and both strategies have the same unconditional monthly standard deviation. The lower left panel plots rolling one-year returns from each strategy and the lower right panel shows the drawdown of each strategy.