PRINCIPLES FOR LONG-TERM INVESTING: MARKET TIMING DOES NOT WORK

JULY 2023 CLIENT QUESTION OF THE MONTH

Revised July 2023 - originally posted July 2022

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At Winthrop Wealth, we follow a **Total Net Worth Approach** to wealth management that combines both comprehensive financial planning and investment management. The financial plan helps define cash flow needs, seeks to optimize account structures, considers tax mitigation strategies, and determines the appropriate asset allocation based on the client's willingness and ability to take risk. Based on the output of the financial plan, our investment management process designs a well-diversified portfolio constructed with a long-term methodology based on prudent risk management, asset allocation, and security selection. *Financial planning is a tool intended to review your current financial situation, investment objectives and goals, and suggest potential planning ideas and concepts that may be of benefit. Please note that there is no guarantee that financial planning will help you reach your goals.*

Our investment process emphasizes a long-term mindset as we seek to capitalize on the benefits of diversification and the power of compounding. We remind our clients that markets have historically increased over time despite frequent drawdowns, and that a long-term viewpoint is paramount to take advantage of the power of compounding. We can proactively reposition actively managed portfolios by adjusting holdings, engaging in tax loss harvesting, and rebalancing when appropriate. By adhering to a well-structured investment plan, we help our clients avoid making emotional decisions and maintain their focus on the bigger picture throughout different market environments. *No strategy assures success and all investing involves risk, including loss of principle.*

Market timing is an investment strategy that is implemented by selling a large portion of equity holdings when the market is high (keep in mind this could result in substantial capital gains for taxable investors), patiently waiting on the sideline as the market declines, reinvesting at the market low, and then riding the market back up to new highs. Rinse and repeat. Although this might sound easy, the reality is that successful market timing is nearly impossible to execute consistently. Market tops and bottoms are never obvious in real time, only in hindsight. To execute a market timing strategy, an investor must get two decisions precisely correct: when to sell out of the market and when to buy back in. Most investors come up short with the second decision, buying back in. We will note that if an investor discovered the magic formula to market timing, they would essentially be able to make an unlimited amount of money. There is no magic formula.

Market timing decisions are often short-term emotional decisions driven by fear or panic rather than fact-based analysis. Given the damaging impact that market timing decisions have on performance, the average investor should look for ways to mitigate this behavior. A financial advisor can help make rational and data driven decisions rather than ones based on emotion. In our experience, the most effective course of action is to combine comprehensive financial planning with a globally diversified portfolio constructed by a thorough investment process. *No strategy assures success and all investing involves risk, including loss of principle.*

Successful investing requires skill and discipline, not reliance on gimmicks like market timing. We hope that the following slides cement the power of diversification and a long-term approach, and that market timing is a loser's game that should not be relied upon as a serious investment strategy.

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DON'T TRY TO BUY AT THE BOTTOM AND SELL AT THE TOP. IT CAN'T BE DONE – EXCEPT BY LIARS.

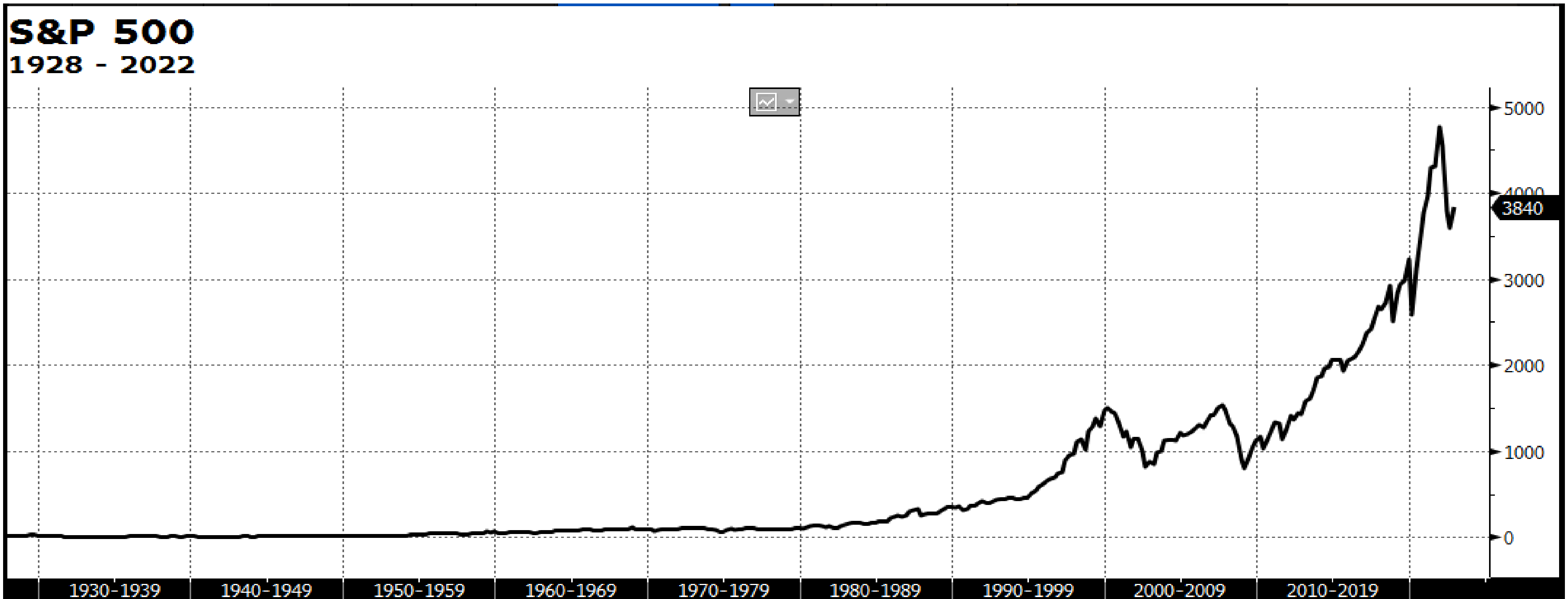
-BERNARD BARUCH

The stock market has gone up over time

From 1928 to 2022, the stock market produced a total annualized return of +9.4%. A $10,000 investment in 1928 would have increased to over $51,000,000 at the end of 2022 (Source: Bloomberg).

We would also like to highlight that this period includes several of the most challenging market environments in history, including, the Great Depression, World War II, 1970's Stagflation, Crash of 1987, Dot-Com Bubble, Global Financial Crisis, Covid Pandemic, and 2022's inflation and Fed tightening. The total period includes thirteen bear markets, fifteen recessions, and dozens of corrections and pullbacks.

Historically with the stock market, the longer you stayed invested, the greater likelihood you had of generating a positive return. Over this time, a 20-year investment in the S&P 500 has never lost money despite some very challenging and volatile periods. *Equity markets have historically recovered from recessions and downturns; however, past performance is no guarantee of future returns. It is important to consider your own risk tolerance, financial circumstances, and time horizon when investing.*



Positive Performance over Rolling Periods

1-Year	5-Year	10-Year	20-Year
74%	89%	93%	100%

Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.

The stock market has gone up over time, but returns were not linear

Since 1928, the stock market produced positive results in 69 calendar years vs. 25 years with negative returns.

The market went higher in 73% of years with an average return of +21.0% and declined in 27% of years with an average drop of -14.0%.

S&P 500 Calendar Year Returns: 1928 - 2022

Total Annualized Return: 9.4%

Positive Years: 69 (73%)

Negative Years: 26 (27%)

						1944 19.5%				
						1972 19.0%				
						1986 18.7%	2021 28.7%			
						1979 18.6%	2003 28.7%			
						2020 18.4%	1998 28.5%	1928 37.9%		
					1992 7.6%	1952 18.2%	1961 26.9%	1995 37.5%		
				1939 -0.1%	1978 6.6%	1988 16.6%	2009 26.4%	1975 37.2%		
				1953 -0.9%	1956 6.5%	1964 16.4%	1943 25.6%	1945 36.3%		
				1990 - 3.2%	1984 6.3%	2012 16.0%	1976 23.9%	1936 33.7%		
				2018 -4.4%	1947 5.6%	2006 15.8%	1967 23.9%	1997 33.3%		
				1934 -4.7%	2007 5.6%	2010 15.1%	1951 23.8%	1950 32.6%		
				1981 -4.9%	1948 5.4%	1971 14.3%	1949 23.6%	1980 32.5%		
			1957 - 10.7%	1977 -7.2%	1987 5.3%	2014 13.7%	1996 22.9%	2013 32.4%		
			1941 -11.6%	1946 8.0%	2005 4.9%	1965 12.5%	1963 22.8%	1985 31.7%		
			2001 -11.9%	1969 -8.4%	1970 3.9%	1959 12.0%	1983 22.6%	1989 31.7%		
			1929 -11.9%	1962 -8.7%	2011 2.1%	2016 12.0%	2017 21.8%	2019 31.5%		
		2002 -22.1%	1973 -14.7%	2000 -9.1%	2015 1.4%	1968 11.0%	1982 21.5%	1955 31.4%	1933 44.1%	
	1937 -34.7%	1974 26.5%	1932 -14.8%	1940 -9.6%	1994 1.3%	2004 10.9%	1999 21.0%	1991 30.4%	1958 43.1%	
1931 -47.1%	2008 -37.0%	1930 -28.5%	2022 -18.1%	1966 -10.0%	1960 0.5%	1993 10.1%	1942 20.1%	1938 30.1%	1935 41.4%	1954 52.3%
-50% to -40%	**-40% to -30%**	**-30% to -20%**	**-20% to -10%**	**-10% to 0%**	**0% to 10%**	**10% to 20%**	**20% to 30%**	**30% to 40%**	**40% to 50%**	**50% to 60%**

Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.

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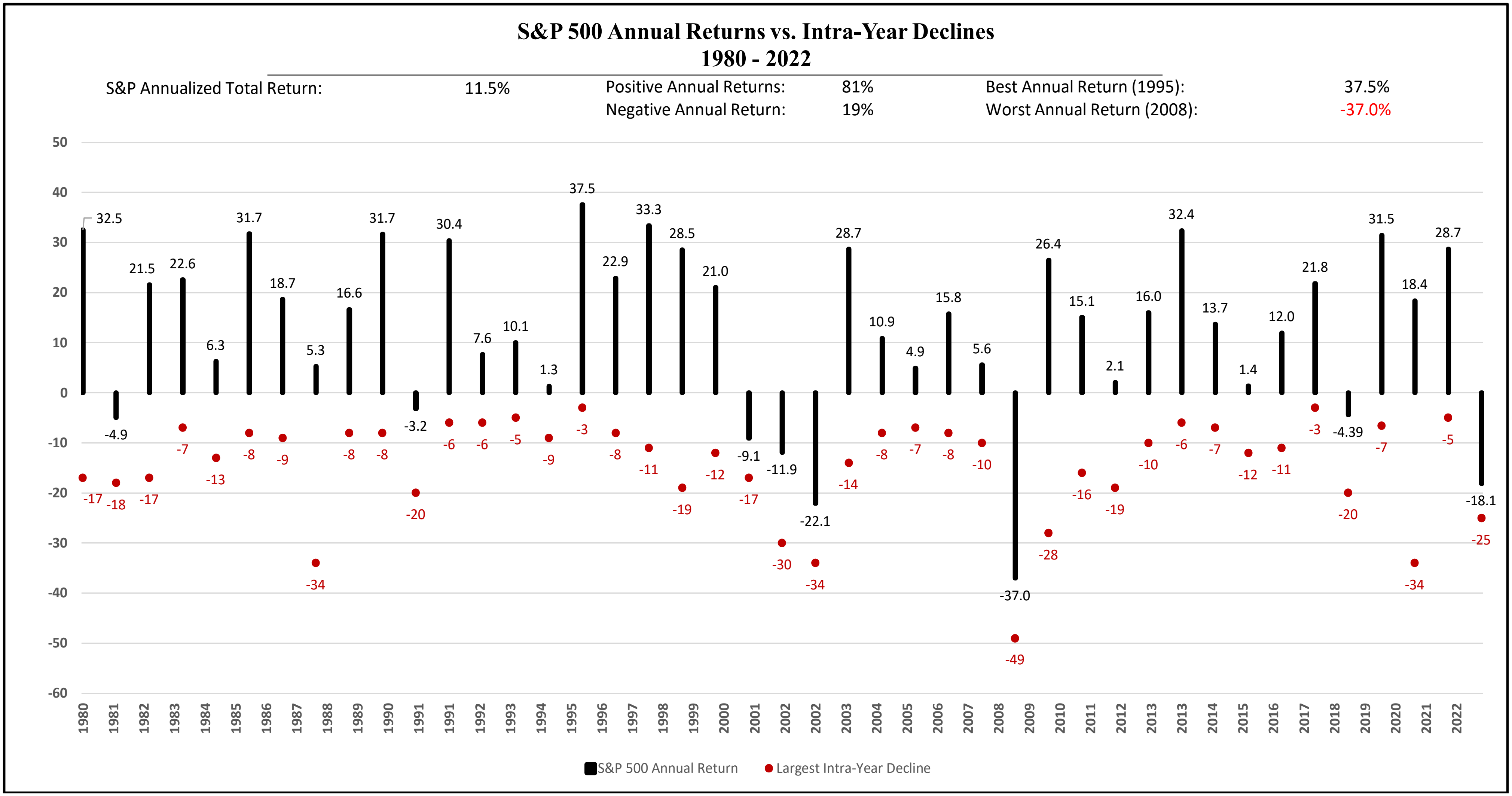
Market declines are common

The following chart displays the S&P 500's annual return and the largest intra-year decline from 1980 through 2022.

Over this period, the S&P 500 has generated a total annualized return of +11.5%. Annual returns ranged from -37.0% to +37.5%.

There were plenty of market drops along the way as the average intra-year price decline was -14%. Note that in 16 instances, the market finished in positive territory for the year despite a decline of at least -10% at some point.



Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.

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There are always "reasons to sell"

The following table displays S&P 500 annual returns from 1972 through 2022 and the top risk or reason why an investor could have been frightened out of the market each year.

An old investment adage is that the stock market climbs a "wall of worry." This simply means that the market has risen over time despite a constant barrage of potential risks that could cause a correction or decline. The market always has risks to overcome and there is never an "all-clear" signal.

The 24-hour news cycle and advent of social media might make it seem as though risks are more prevalent today, but they have always existed. Historically, you might not have found out about economic data or company specific news until you read about it in the newspaper the next day. Now, everything happens in real-time with a never-ending flow of pundits and articles ready to pontificate about what happened and how it may impact the markets.

We caution our clients not to overreact to one data-point, piece of news, or what a so-called market authority might be predicting.

Reasons to Sell Stocks

Top Market Risk and S&P 500 Annual Return

Year	Market Risk	Return	Year	Market Risk	Return	Year	Market Risk	Return
1972	Largest US Trade Deficit Ever	19.0%	1989	October "Mini Crash"	31.7%	2006	Real Estate Peaks	15.8%
1973	Energy Crisis	-14.7%	1990	Persian Gulf Crisis	-3.2%	2007	Subprime Lending	5.6%
1974	Stagflation	-26.5%	1991	Berlin Wall Falls	30.4%	2008	Great Recession Begins	-37.0%
1975	Clouded Economic Prospects	37.2%	1992	Global Recession	7.6%	2009	Double Digit Unemployment Numbers	26.4%
1976	Economic Recovery Slows	23.9%	1993	Health Care Reform	10.1%	2010	European Sovereign Debt Crisis	15.1%
1977	Market Slumps	-7.2%	1994	Fed Raises Interest Rates Six Times	1.3%	2011	U.S. Credit Downgrade	2.1%
1978	Interest Rates Rise	6.6%	1995	Dow Tops 5,000	37.5%	2012	Afghanistan War	16.0%
1979	Oil Prices Skyrocket	18.6%	1996	Dow Tops 6,400	22.9%	2013	Fed Taper Tantrum	32.4%
1980	Interest Rates at All-Time High	32.5%	1997	Hong Kong Reverts to China	33.3%	2014	Oil Prices Plunge 50%	13.7%
1981	Steep Recession Begins	-4.9%	1998	Long Term Capital Mgmt Collapse	28.5%	2015	China Economic Slowdown	1.4%
1982	Worst Recession in 40 Years	21.5%	1999	Y2K	21.0%	2016	Global Economic Slowdown	12.0%
1983	Market Hits New Highs	22.6%	2000	Tech Bubble Burst	-9.1%	2017	High Valuation	21.8%
1984	Record Federal Deficits	6.3%	2001	9/11 Terrorist Attacks	-11.9%	2018	US/China Trade War - Fed Policy Mistake	-4.4%
1985	Economic Growth Slows	31.7%	2002	Recession	-22.1%	2019	US/China Trade War	31.5%
1986	Dow Nears 2,000	18.7%	2003	War in Iraq	28.7%	2020	Covid Pandemic	18.4%
1987	Record-Setting Market Decline	5.3%	2004	Rising Interest Rates	10.9%	2021	Covid Pandemic - Stimulus Withdrawal	28.7%
1988	Election Year	16.6%	2005	Hurricane Katrina	4.9%	2022	Inflation - Fed Tightening	-18.1%

S&P 500 (1972 - 2022): **Total Return: 16,000%.** **Growth of $10,000: $1,600,000.** **Total Annualized Return: +10.5%.**

Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.

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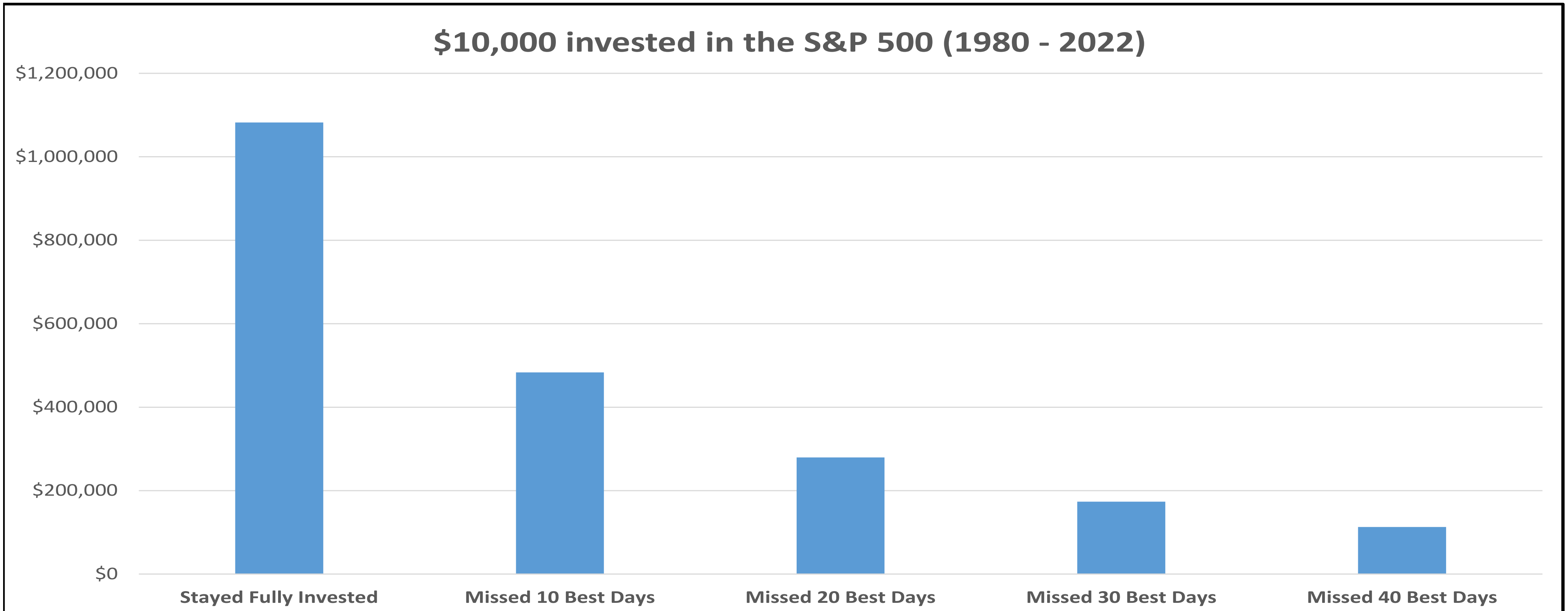
Missing the best days crushes investor returns

Investors who wait on the sidelines for the "optimal" time to buy often miss significant rallies.

A $10,000 investment in 1980 would have increased to about $1,080,000 at the end of 2022. Note, this period includes over 10,800 trading days and assumes the individual stayed fully invested. If an investor missed only the 10 best days in the market, their total return would have been less than half. If an investor missed the 40 best days, their return would have been about one tenth. *All indexes mentioned are unmanaged indexes which cannot be invested into directly. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. Past performance is no guarantee of future results.*

To make things more difficult for market timers, the best days have historically occurred during periods of severe market stress. Nine of the ten best days in the market over the last forty-two years occurred during either the Global Financial Crisis (2008-2009) or the Covid Pandemic (2020). Nervous or frustrated investors who threw in the towel would have missed the subsequent market rebound and devastated their portfolios.

During periods of market stress, it is impossible to know when a market bounce might occur, but we do know that missing a bounce has historically had a severe negative impact on total return of the S&P 500 over the period 1980-2022 as shown below.



Total Return	$1,080,000	$480,000	$280,000	$170,000	$110,000
Annualized Return	11.50%	9.44%	8.06%	6.87%	5.81%

Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.

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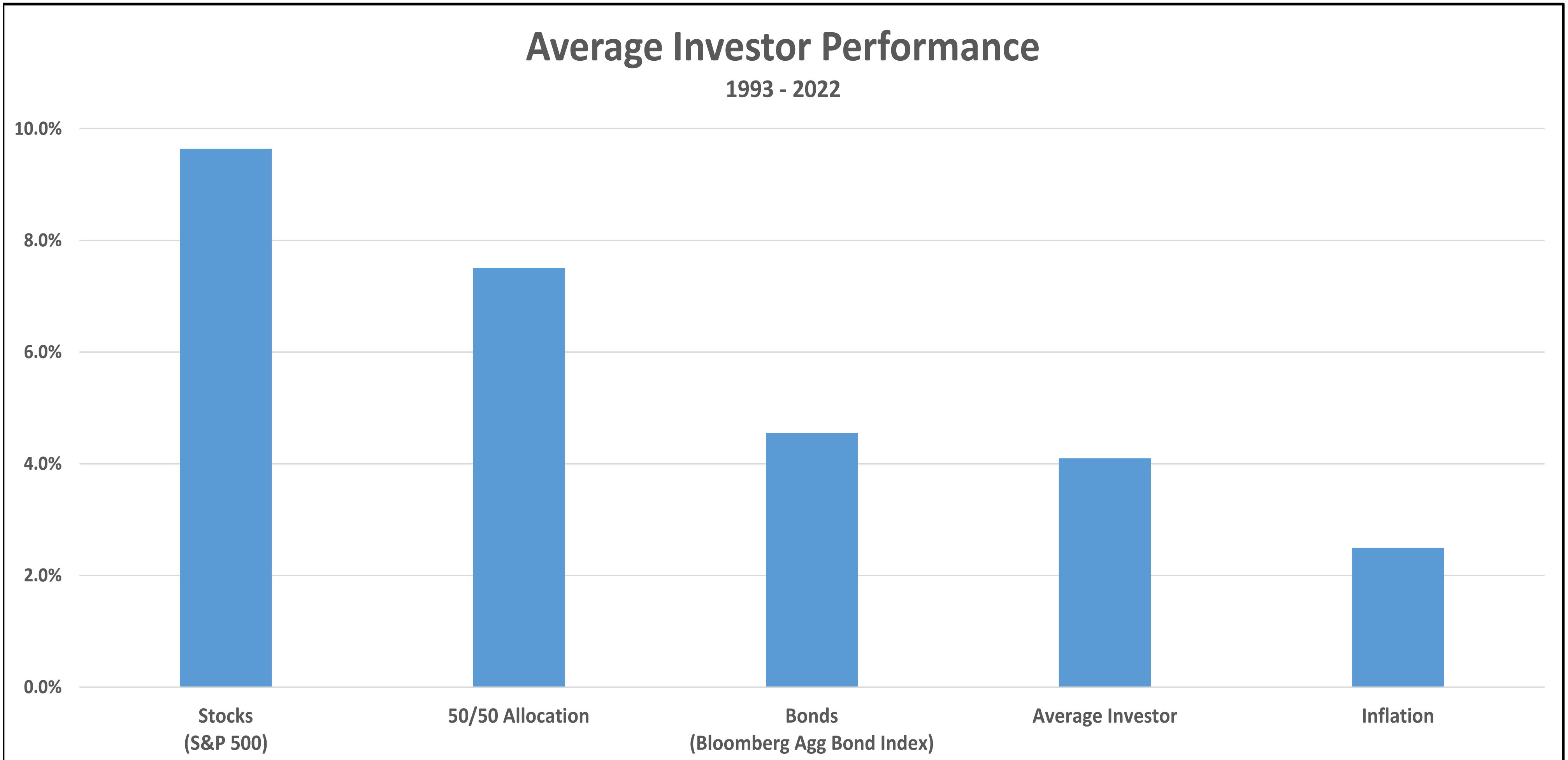
The average investor underperforms due to market timing

The following chart is from a Dalbar study titled "Quantitative Analysis of Investor Behavior" that displays the annualized returns of various asset classes and the average investor for the thirty-year period of 1993 through 2022.

The average asset allocation investor's return is based on an analysis of the net aggregate mutual fund sales, redemptions, and exchanges each month. The study shows that the average investor's return over this period was less than half of stocks and lower than bonds.



Annualized Return	9.6%	7.5%	4.6%	4.1%	2.5%

Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.
DALBAR'S 2023 Quantitative Analysis of Investor Behavior (QAIB) study examines real investor returns from equity, fixed income and money market mutual funds from January 1993 through December 2022. The study was originally conducted by DALBAR, Inc. in 1994 and was the first to investigate how mutual fund investors' behavior affects the returns they actually earn. https://www.dalbar.com/QAIB/Index

The benefit of diversification

Diversification and time are an investor's two best friends. Diversified portfolios can lead to more consistent and less volatile results than a single asset class. We know that markets can be extremely volatile in the short-term, but difficult periods have historically not lasted forever. *Asset allocation does not ensure a profit or protect against loss. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio.*

To highlight the benefits of diversification, we examined the total return performance of nine separate asset classes and a diversified asset allocation from 2008 to 2022 (see below for the asset class index key and weights of the diversified allocation). Notice that from year-to-year many asset classes rotate from top to bottom performers. We will also highlight that the asset allocation has stayed consistently in the middle.

Asset Class Returns

															2008 - 2022		
2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Annualized Return	Annualized Volatility	Sharpe
Fixed Income 5.2%	Emerging Markets 78.5%	Small Cap 26.8%	Fixed Income 7.8%	Emerging Markets 18.2%	Small Cap 38.8%	Large Cap 13.7%	Large Cap 1.4%	Small Cap 21.3%	Emerging Markets 37.3%	Cash 1.8%	Large Cap 31.5%	Small Cap 19.9%	Large Cap 28.7%	Commodities 16.1%	Mid Cap 8.8%	Emerging Markets 21.5%	High Yield 0.54
Cash 1.8%	High Yield 58.2%	Mid Cap 26.6%	High Yield 5.0%	Mid Cap 17.8%	Mid Cap 33.5%	Mid Cap 9.7%	Fixed Income 0.5%	Mid Cap 20.7%	Developed International 25.0%	Fixed Income 0%	Mid Cap 26.2%	Large Cap 18.4%	Commodities 27.1%	Cash 1.5%	Large Cap 8.8%	Small Cap 21.1%	Fixed Income 0.51
Asset Allocation -23.5%	Mid Cap 37.3%	Emerging Markets 18.9%	Large Cap 2.1%	Developed International 17.3%	Large Cap 32.4%	**Asset Allocation 7.1%**	Cash 0%	High Yield 17.1%	Large Cap 21.8%	High Yield -2.1%	Small Cap 25.5%	Emerging Markets 18.3%	Mid Cap 24.7%	High Yield -11.2%	Small Cap 7.1%	Mid Cap 19.3%	Large Cap 0.50
High Yield -26.2%	Developed International 31.8%	Commodities 16.8%	**Asset Allocation 1.3%**	Small Cap 16.4%	Developed International 22.8%	Fixed Income 6.0%	**Asset Allocation -0.8%**	Large Cap 11.9%	Mid Cap 16.2%	Large Cap -4.4%	Developed International 22.0%	Mid Cap 13.6%	Small Cap 14.8%	Fixed Income -13.0%	High Yield 6.1%	Developed International 18.1%	**Asset Allocation 0.49**
Small Cap -33.8%	Small Cap 27.1%	High Yield 15.1%	Cash 0.1%	Large Cap 16.0%	**Asset Allocation 17.4%**	Small Cap 4.9%	Developed International -0.8%	Commodities 11.8%	**Asset Allocation 14.8%**	**Asset Allocation -4.6%**	**Asset Allocation 20.7%**	**Asset Allocation 12.5%**	**Asset Allocation 14.3%**	Mid Cap -13.1%	**Asset Allocation 5.9%**	Commodities 17.1%	Mid Cap 0.43
Commodities -35.6%	Large Cap 26.4%	Large Cap 15.1%	Mid Cap -1.7%	High Yield 15.8%	High Yield 7.4%	High Yield 2.5%	Mid Cap -2.2%	Emerging Markets 11.2%	Small Cap 14.6%	Small Cap -11.0%	Emerging Markets 18.4%	Developed International 7.8%	Developed International 11.3%	Developed International -14.5%	Fixed Income 2.7%	Large Cap 16.3%	Small Cap 0.31
Mid Cap -36.2%	**Asset Allocation 23.4%**	**Asset Allocation 12.5%**	Small Cap -4.2%	**Asset Allocation 11.9%**	Cash 0%	Cash 0%	Small Cap -4.4%	**Asset Allocation 8.8%**	High Yield 7.5%	Mid Cap -11.1%	High Yield 14.3%	Fixed Income 7.5%	High Yield 5.3%	**Asset Allocation -14.6%**	Developed International 1.8%	**Asset Allocation 10.9%**	Developed International 0.06
Large Cap -37.0%	Commodities 18.9%	Developed International 7.8%	Developed International -12.1%	Fixed Income 4.2%	Fixed Income -2.0%	Emerging Markets -2.2%	High Yield -4.5%	Fixed Income 2.6%	Fixed Income 3.5%	Commodities -11.2%	Fixed Income 8.7%	High Yield 7.1%	Cash 0.0%	Large Cap -18.1%	Emerging Markets 0.6%	High Yield 10.1%	Emerging Markets 0
Developed International -43.4%	Fixed Income 5.9%	Fixed Income 6.5%	Commodities -13.3%	Cash 0.1%	Emerging Markets -2.6%	Developed International -4.9%	Emerging Markets -14.9%	Developed International 1.0%	Commodities 1.7%	Developed International -13.8%	Commodities 7.7%	Cash 0.5%	Fixed Income -1.5%	Emerging Markets -20.1%	Cash 0.6%	Fixed Income 4.0%	Cash 0
Emerging Markets -53.3%	Cash 0.1%	Cash 0.1%	Emerging Markets -18.4%	Commodities -1.1%	Commodities -9.5%	Commodities -17.0%	Commodities -24.7%	Cash 0.3%	Cash 0.8%	Emerging Markets -14.6%	Cash 2.2%	Commodities -3.1%	Emerging Markets -2.5%	Small Cap -20.5%	Commodities -2.6%	Cash 0.3%	Commodities -0.19

Asset Class Key

Large Cap:	S&P 500	Developed International:	MSCI EAFE	Fixed Income:	Bloomberg Barclays US Agg
Mid Cap:	S&P 400	Emerging Markets:	MSCI Emerging Markets	Treasury Bills:	Bloomberg Barclays 1-3M Treasury Bills
Small Cap:	Russell 2000	High Yield	Bloomberg Barclays US Corporate High Yield	Commodities:	Bloomberg Commodity Total Return Index

Asset Allocation Weights

Large Cap:	40%	Developed International:	9%	Fixed Income:	30%
Mid Cap:	4%	Emerging Markets:	3%	Treasury Bills:	3%
Small Cap:	4%	High Yield	5%	Commodities:	2%

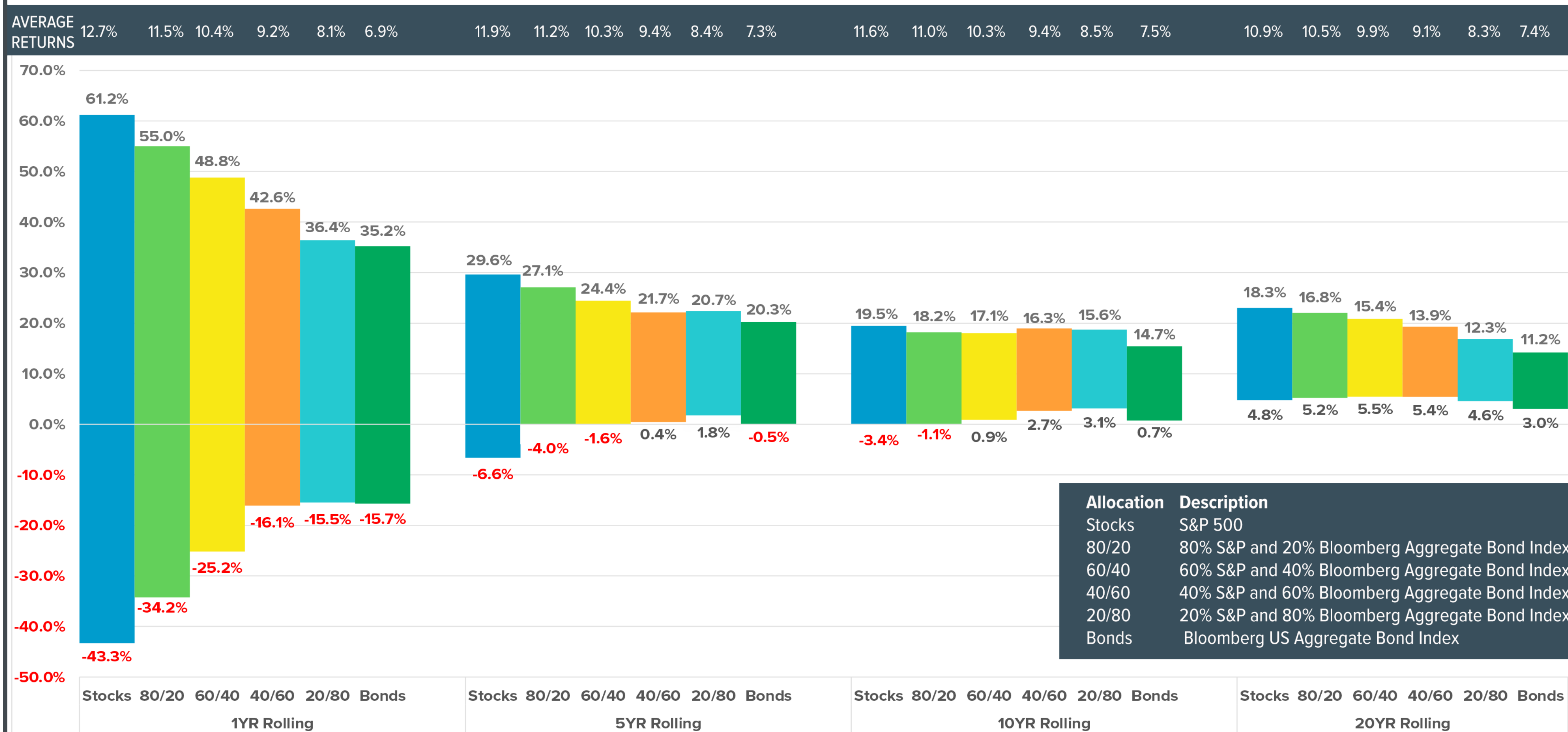
Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.

The value of time

The following chart displays the historical high, low, and average performance of various stock and bond benchmarks over rolling periods from 1976 to 2022.

As the rolling time-period increases, the range of outcomes narrow as the highs and lows become less extreme. Our key takeaway from this chart is that the longer the time-period, the greater historical likelihood of generating a positive return. Over the short-term, markets can be extremely volatile with severe drawdowns occurring suddenly. Over the long-term, markets have historically increased and rewarded those who stayed invested. *Past performance is no guarantee of future returns. It is important to consider your own risk tolerance, financial circumstances, and time horizon when investing.*

Range of annualized returns 1976 - 2022



Total annualized returns are calculated using 12-month rolling periods from January 1976 to December 2022. Allocations are rebalanced annually.

Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.

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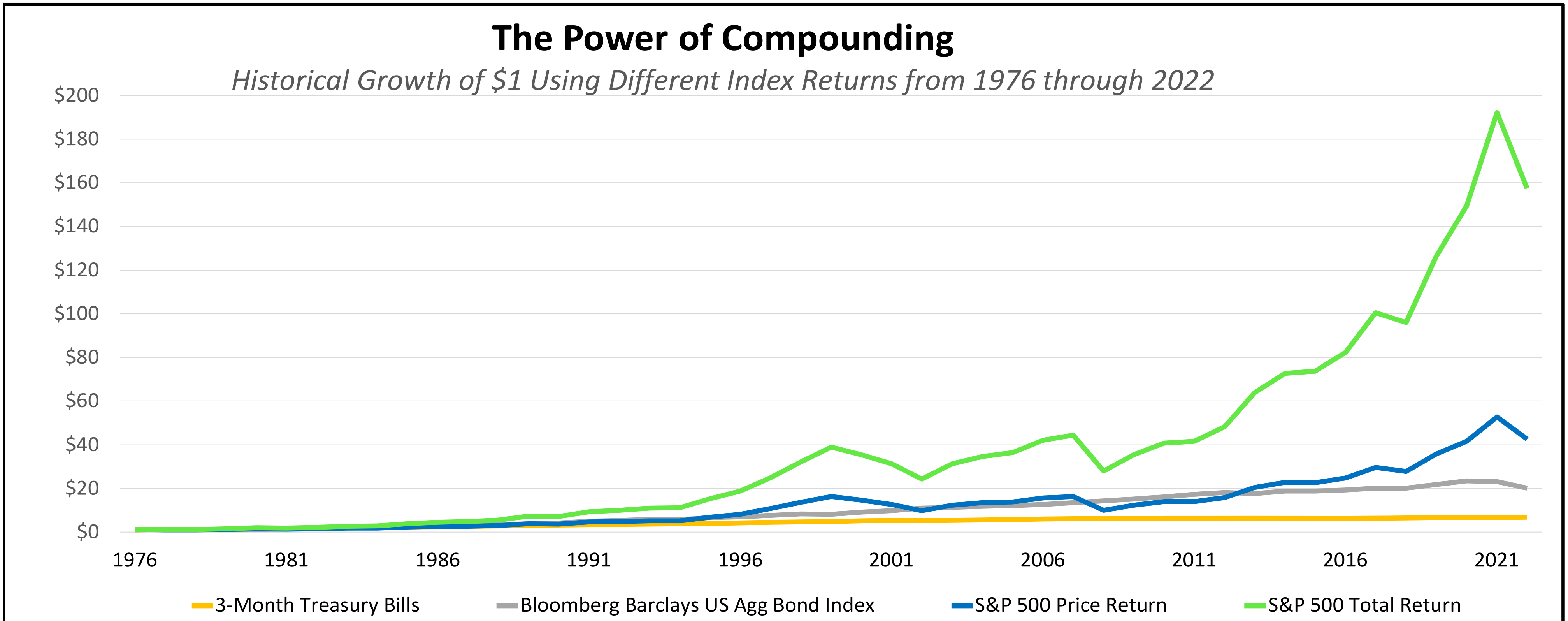
The power of compounding

Compound growth refers to the return on an initial amount of money (principal), as well as on any accumulated earnings (interest, dividends, and/or price appreciation). The power of compounding, which becomes more noticeable over time, is the ability to add accumulated earnings onto the initial principal each period. Although compounding offers the potential for substantial growth over long periods, it requires consistency and discipline. *All investing involves risk, and no strategy guarantees success.*

To better illustrate this concept, the graph below showcases the historical growth of $1 invested in various indices from 1976 to 2022 (approximately 47 years). Although these indices have different risk-return profiles, all have shown the historical ability to compound returns over long periods. *All indexes mentioned are unmanaged indexes which cannot be invested into directly. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. Past performance is no guarantee of future results.*



Index	Annualized Return	Growth of $1
3-Month Treasury Bills	4.21%	$7
Bloomberg Barclays U.S. Agg Bond Index	6.59%	$20
S&P 500 Price Return	8.31%	$43
S&P 500 Total Return	11.36%	$157

Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.

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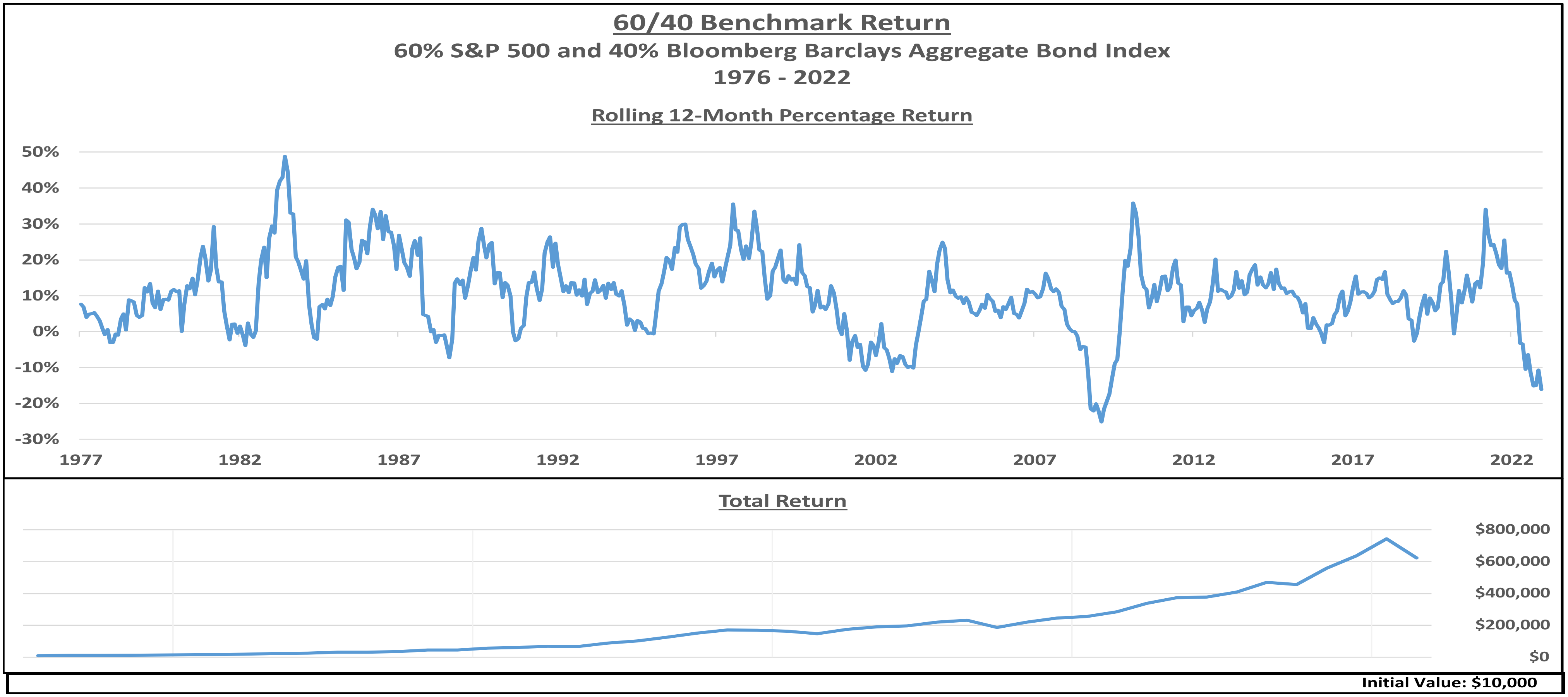
Withdrawing Money

One of the most common and costly mistakes an investor can make is to not plan for a scheduled cash flow need in advance, and then fund it by selling equities AFTER a significant market decline. A major component of our Total Net Worth Approach to comprehensive financial planning and investment management is to identify and account for upcoming cash flow needs. We often invest at least two to three years of scheduled cash flows in conservative ultra-short fixed income to decrease the likelihood that we will need to sell out of risk assets after a market decline to fund distributions. In actively managed portfolios, we can let the market dictate whether we fund cash flows from the conservative fixed income holdings or the equities.

The following graphic is helpful to understand our approach to funding distributions. The chart displays both the Rolling 12-Month Percentage Return and Total Return from 1976 through 2022 of a benchmark comprised 60% of the S&P 500 and 40% of the Bloomberg Barclays Aggregate Bond. The Rolling 12-Month Percentage Return portion shows that returns can vary significantly over annual periods. When equity markets are strong, we frequently fund distributions from equity holdings, which means we are trimming stocks into strength. When equity markets are weak, we often fund distributions from the more conservative fixed income holdings. *All indexes mentioned are unmanaged indexes which cannot be invested into directly. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. Past performance is no guarantee of future results. No strategy assures success and all investing involves risk, including loss of principle.*



Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.

Investing New Money

Since the investor's worst nightmare is to invest new money right before a significant market decline, we decided to examine both the short and long-term impacts of this scenario.

The following chart displays the performance of the S&P 500 during the last ten bear markets going back to 1950 (we used the classic bear market definition of a peak-to-trough price decline of greater than -20%). In our two scenarios, the investor puts money to work at a "terrible" time, either 30- or 90-days before the eventual bear market bottom.

This study illustrates that time invested in the market matters more than investing at the perfect time. In investing, perfect can be the enemy of good. While it would be nice to make the perfect investment at THE market bottom, if you believe the current environment is at least a good time to invest, then we suggest putting a portion of your capital to work. No one knows when the ultimate market bottom will occur since it can only be identified in hindsight (although this will not stop the pundits from guessing). *Historically, equity markets have recovered from recessions and downturns; however, past performance is no guarantee of future returns. It is important to consider your own risk tolerance, financial circumstances, and time horizon when investing.*

At Winthrop Wealth, we work closely with our clients to execute a transparent plan to invest new money. In our opinion, the best way put new money to work is to agree to an investing schedule with some flexibility that makes the client feel confident in the process. Rather than attempting to wait for the perfect time to buy, our approach allows us to make a series of buys and to save some dry powder as new opportunities arise. This increases the chances that some of our buys may be at good to great prices. In our opinion, our methodical approach is far more effective than trying to find the perfect time to invest everything at once. *No strategy assures success and all investing involves risk, including loss of principle.*

S&P 500 Bear Markets (1950 - 2022)				Invest 1-Month Before Market Bottom			Invest 3-Months Before Market Bottom		
Bear Market	Market Peak	Market Bottom	Price Decline	1-Month Total Return	12-Month Total Return	24-Month Total Return	3-Month Total Return	12-Month Total Return	24-Month Total Return
Eisenhower Recession	July 1957	October 1957	-20.7%	-9.8%	17.3%	35.8%	-19.0%	-0.1%	32.0%
Flash Crash of 1962 / Cold War	December 1961	June 1962	-28.0%	-12.0%	21.8%	44.6%	-24.8%	-1.5%	20.9%
Tech Crash of 1970	November 1968	May 1970	-35.4%	-16.0%	30.2%	38.4%	-21.7%	12.6%	27.2%
Stagflation	January 1973	October 1974	-48.2%	-11.3%	27.8%	60.6%	-24.6%	18.3%	35.8%
Volcker Tightening	November 1980	August 1982	-27.1%	-5.9%	58.9%	50.7%	-11.8%	47.4%	48.0%
Crash of 1987	August 1987	December 1987	-33.5%	-9.8%	16.3%	45.6%	-28.7%	-13.4%	20.0%
Tech Bubble	March 2000	October 2002	-49.1%	-13.8%	15.4%	28.1%	-15.9%	9.6%	24.3%
Global Financial Crisis	October 2007	March 2009	-56.8%	-21.8%	25.6%	58.5%	-23.3%	26.4%	45.1%
Global Pandemic	February 2020	March 2020	-33.9%	-32.8%	19.1%	34.5%	-30.3%	16.6%	51.4%
Inflation / Fed Tightening	January 2022	October 2022	-25.4%	-12.9%			-5.2%		
Average			**-35.8%**	**-14.6%**	**25.8%**	**44.1%**	**-20.5%**	**12.9%**	**33.9%**

Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.

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DISCLOSURES:

Content in this material is for general information only and not intended to provide specific advice or recommendations for any individual.

The economic forecasts set forth in this material may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

All indexes mentioned are unmanaged indexes which cannot be invested into directly. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. Past performance is no guarantee of future results.

The Standard & Poor's 500 Index is a capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The S&P Midcap 400 Stock Index is an unmanaged index generally representative of the market for the stocks of mid-sized US companies.

The Russell 2000 Index is an unmanaged index generally representative of the 2,000 smallest companies in the Russell 3000 index, which represents approxi-mately 10% of the total market capitalization of the Russell 3000 Index.

The prices of small cap stocks and mid cap stocks are generally more volatile than large cap stocks.

The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The MSCI EAFE Index consists of the following developed country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK.

The MSCI EM (Emerging Markets) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the emerging market countries of the Americas, Europe, the Middle East, Africa and Asia. The MSCI EM Index consists of the following emerging market country indices: Brazil, Chile, Colombia, Mexico, Peru, Czech Republic, Egypt, Greece, Hungary, Poland, Qatar, Russia, South Africa. Turkey, United Arab Emirates, China, India, Indonesia, Korea, Malaysia, Philippines, Taiwan, and Thailand.

The Bloomberg Barclays U.S Corporate High-Yield Bond Index is an unmanaged market value weighted index composed of fixed-rate, publicly issued, non-investment grade debt.

International investing involves special risks as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets

The Bloomberg Barclays U.S. Aggregate Bond Index is an index of the U.S. investment-grade fixed-rate bond market, including both government and corporate bonds.

The Bloomberg Barclays US Treasury Bills 1-3 Month Index is designed to measure the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to 1 month and less than 3 months. The Index includes all publicly issued zero coupon U.S. Treasury Bills that have a remaining maturity of less than 3 months and at least 1 month, are rated investment grade, and have $300 million or more of outstanding face value.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.

The Bloomberg Commodity Total Return index is composed of futures contracts and reflects the returns on a fully collateralized investment in the BCOM. This combines the returns of the BCOM with the returns on cash collateral invested in 13 week (3 Month) U.S. Treasury Bills.

Government bonds and Treasury bills are guaranteed by the US government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value.

DALBAR'S 2023 Quantitative Analysis of Investor Behavior (QAIB) study examines real investor returns from equity, fixed income and money market mutual funds from January 1993 through December 2022. The study was originally conducted by DALBAR, Inc. in 1994 and was the first to investigate how mutual fund investors' behavior affects the returns they actually earn.

Financial planning is a tool intended to review your current financial situation, investment objectives and goals, and suggest potential planning ideas and concepts that may be of benefit. There is no guarantee that financial planning will help you reach your goals.

Asset allocation does not ensure a profit or protect against loss. There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio.

Diversification does not protect against market risk. All investing involves risk which you should be prepared to bear.

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