



NAVIGATING VOLATILE MARKETS

Navigating Volatile Markets

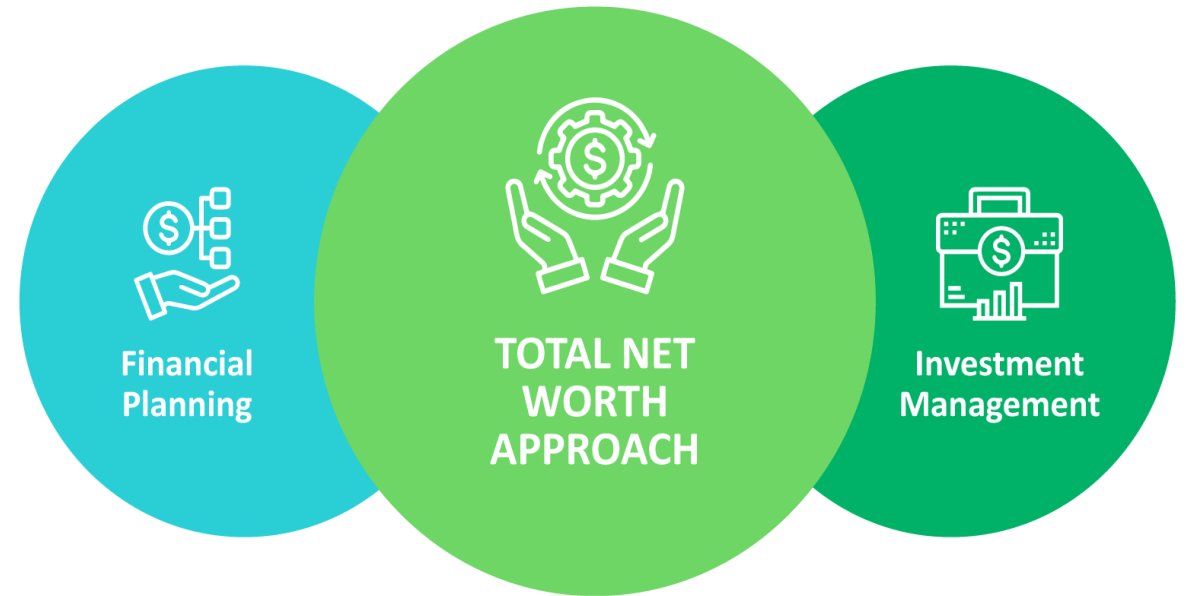


At Winthrop Wealth, we apply a Total Net Worth Approach to wealth management that combines both comprehensive financial planning and investment management.

While financial planning and investment management can function successfully on their own, we believe the combination produces a whole greater than the sum of its parts. *For clients who receive both financial planning and investment advisory services under agreement. No strategy assures success or protects against loss. Investing involves risk, including loss of principle.*

During periods of market volatility, we follow the same playbook and convey the same messages. We believe the following can provide confidence in working toward your long-term financial goals, especially during challenging periods:

- The Right Mindset
- A Comprehensive Financial Plan and
- A Thorough Investment Process



The Right Mindset

Maintain a long-term viewpoint and avoid the impulse to market time

Market timing decisions are often short-term emotional decisions driven by fear or panic rather than fact-based analysis. Making sudden, large adjustments to portfolios can be value-destructive over time and is a major reason for poor investor performance. 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, 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 philosophy and process. *No strategy assures success and all investing involves risk, including loss of principle.*

Our investment philosophy emphasizes a long-term mindset. Markets have historically increased over time despite frequent drawdowns as successful corporations have been able to figure out ways to generate profits through advances in innovation and productivity. To capitalize on the power of compounding, we believe in the benefits of staying Disciplined, Opportunistic, and Diversified, while striving to Mitigate fees, taxes, and expenses.

Please see our [Principles for Long-Term Investing](#) to help you navigate difficult market environments.

"Don't try to buy at the bottom and sell at the top. It can't be done - except by liars."

– Bernard Baruch



Disciplined

- We follow a disciplined investment process designed to be data driven, comprehensive, and consistent.
- We believe that investment strategies should employ a long term approach as markets can be extremely volatile in the short-term.
- We do not believe in market timing.



Opportunistic

- The portfolios reflect the evolving views of the Winthrop Wealth Investment Committee.
- Market volatility and dislocations can be used to our advantage by tax-loss harvesting, repositioning, and rebalancing portfolios.
- Not a "set it and forget it" strategy.



Diversified

- We believe that diversified portfolios can produce more consistent results.
- Allocate across regions, countries, market caps, sectors, industries, duration, and credit quality.
- Avoids single strategy over-concentration.



Mitigate

- Fees, Taxes and Expenses, by striving to achieve target investment exposures in an efficient manner and to avoid unnecessary disbursements.
- Noise, by refusing to get caught up in the "crisis of the day" and focusing on what matters.

Financial Planning

Lifecycle Wealth Management

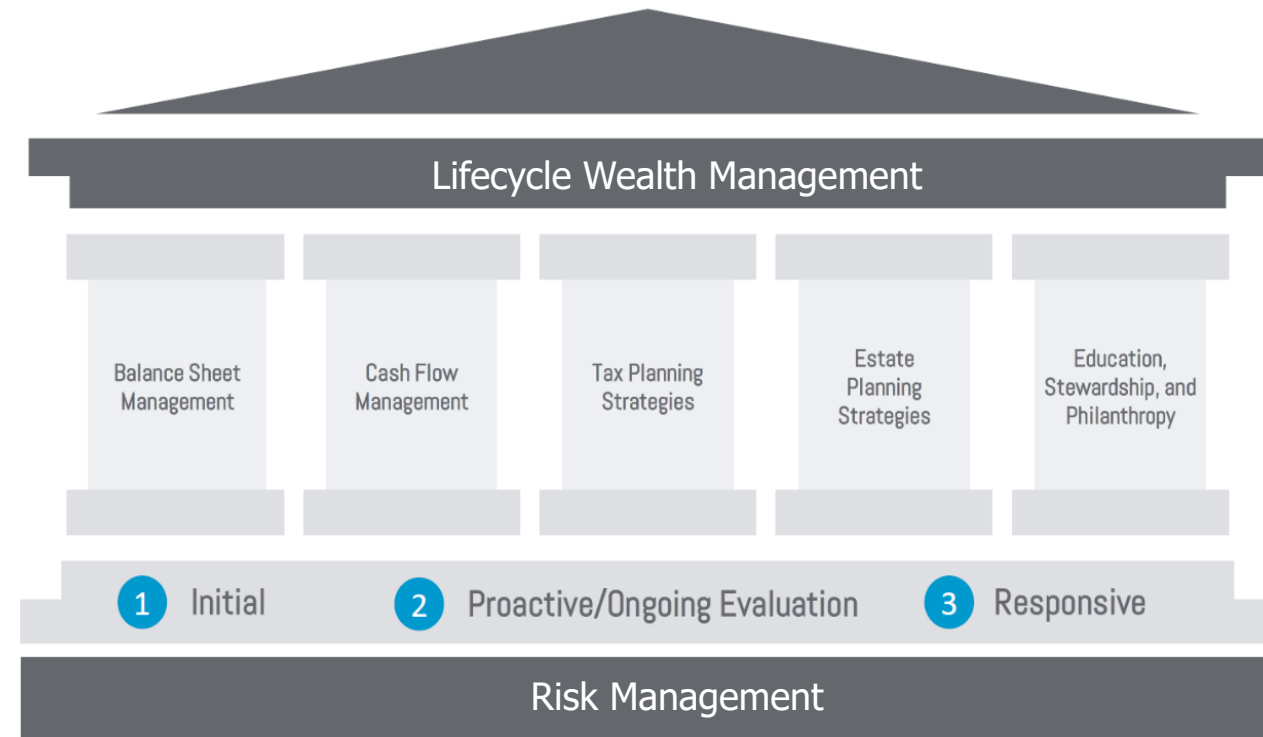
At Winthrop Wealth, Lifecycle Wealth Management is our dynamic approach to financial planning that adapts to your evolving needs at different stages of life, aiming to create confidence in your financial future. It emphasizes goal setting through the FORM framework—Family, Occupation, Recreation, and Money—ensuring your financial decisions align with personal priorities. By addressing your goals at each phase, from early career to retirement, we believe you will gain clarity and long-term reassurance in your financial journey.

Comprehensive and dynamic financial planning is built upon the following pillars: Balance Sheet Management, Cash Flow Management, Tax Planning Strategies, Estate Planning Strategies, and Education, Stewardship, and Philanthropy. Risk Management serves as the foundation that holds these pillars together. By applying our [Total Net Worth Approach](#), we use the financial plan to drive the investment strategy and provide a roadmap to each client's unique goals and objectives.

We evaluate the strength of the financial plan by stress testing it under different scenarios, including extreme volatility and market declines. The financial plan does not rely on perpetually strong markets nor linear returns. Instead, it anticipates that your portfolio will go through periods of weakness throughout your investment time horizon. We often update financial plans during and after volatility to quantify the impact the market decline had on the client's pursuit of their long-term goals and objectives.

“The best way to measure your investing success is not by whether you’re beating the market but by whether you’ve put in place a financial plan and behavioral discipline that are likely to get you where you want to go.”

– Benjamin Graham



Investment Process

Market volatility can be used to our advantage

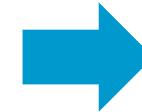
Our investment management process is designed to provide all-weather globally diversified portfolios constructed with a methodology based on prudent risk management, asset allocation, security selection, and portfolio construction. We help our clients navigate challenging markets by seeking to ensure their short-term cash flow needs are met while managing the rest of their investments in a globally diversified portfolio.

Market volatility can be used to our advantage by tax-loss harvesting or reallocating to more attractive securities:

- **Tax-loss Harvesting:** Tax-loss harvesting is achieved by selling an investment with a loss and immediately purchasing a different security with similar (but not identical) exposure. The loss on the sold security can be used to offset taxable gains while staying invested. Please see our Client Question on [Tax Loss Harvesting](#).
- **Repositioning Portfolios:** In a market selloff, portfolio equity allocations often fall below their target levels. By repositioning portfolios, we can increase the overall equity allocation and/or reallocate towards equity asset classes that have become more attractive. Keep in mind, some of the best buying opportunities have historically occurred during periods of market turmoil. *Rebalancing a portfolio may cause investors to incur tax liabilities and/or transaction costs and does not assure a profit or protect against a loss.*

“ Good times teach only bad lessons: that investing is easy, that you know its secrets, and that you needn’t worry about risk. The most valuable lessons are learned in tough times.”

– Howard Marks



- Market Declines
- Rangebound Markets
- Volatile Periods

- Tax-Loss Harvest
- Reposition & Rebalance
- Put New Money to Work

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.

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.

Likewise, it is important to remember that no investment strategy assures success or protects against loss.

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.