WINTHROP WEALTH

JANUARY 2026 CLIENT QUESTION OF THE MONTH:

OUR FAVORITE CHARTS OF 2025

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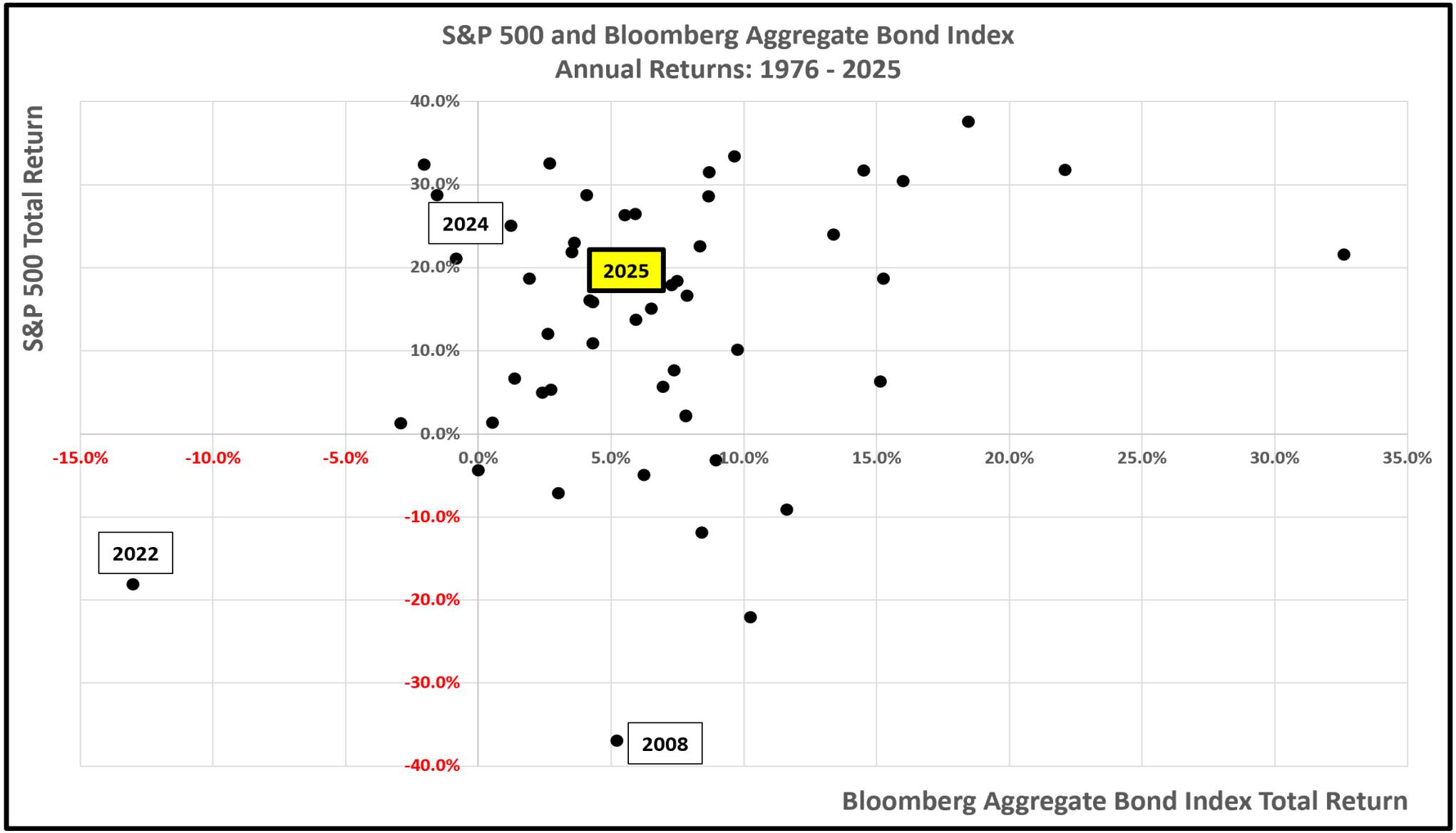
S&P 500 and Bloomberg Aggregate Bond Index Annual Returns

The following chart shows the annual returns since 1976 for the S&P 500 (y-axis) and the Bloomberg Aggregate Bond Index (x-axis).

For 2025, the S&P 500 returned +17.9% while the Bloomberg Aggregate Bond Index (Agg) increased by +7.3%.

The S&P 500 is the most widely followed index for the US stock market, while the Bloomberg Agg is the most common index for the US bond market.

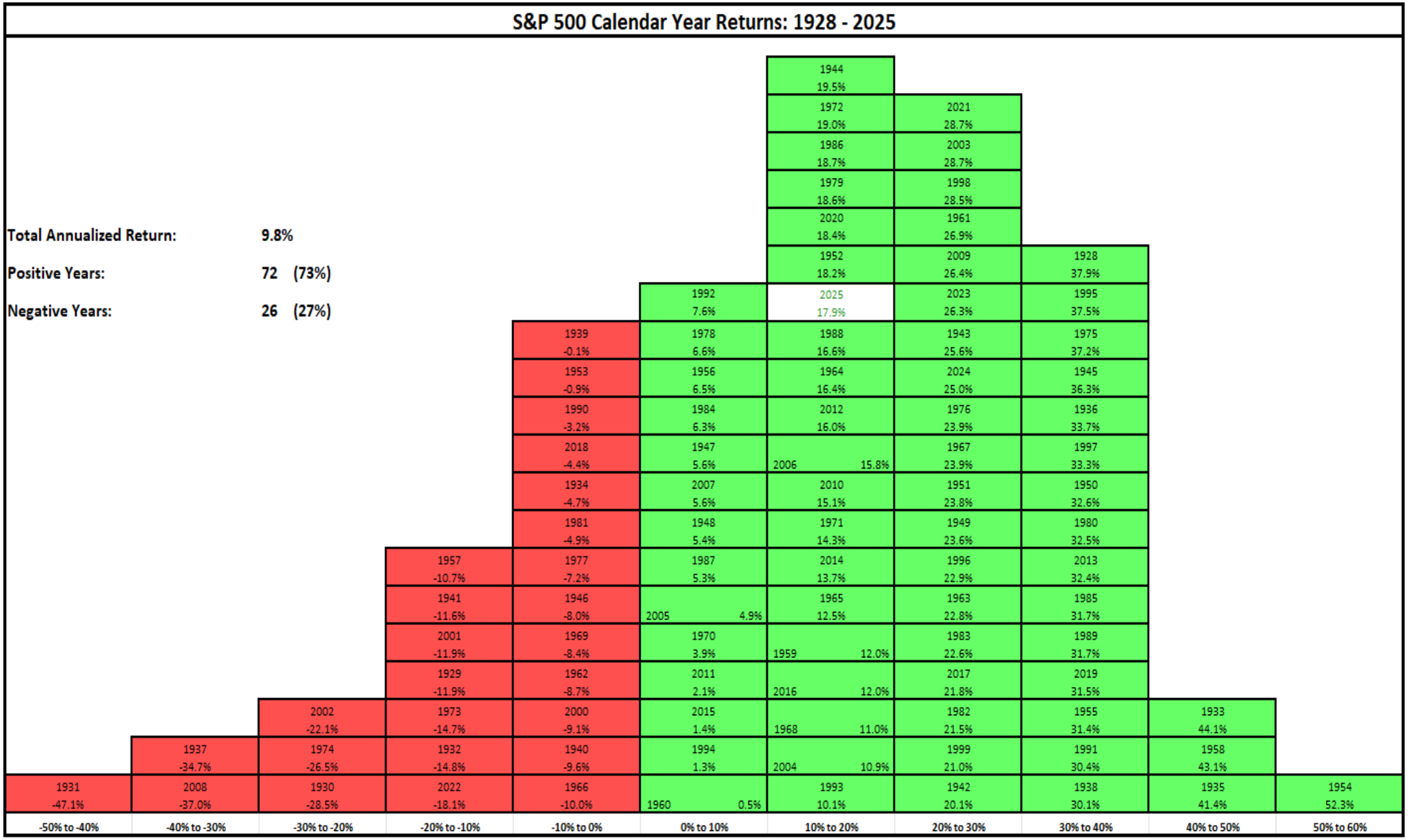


Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.

S&P 500 Annual Returns

Since 1928, the stock market produced positive results in 72 calendar years vs. 26 years with negative returns.

Historically, the market has risen in 73% of years, with an average gain of +21%, and declined in 27% of years, with an average loss of -14%.

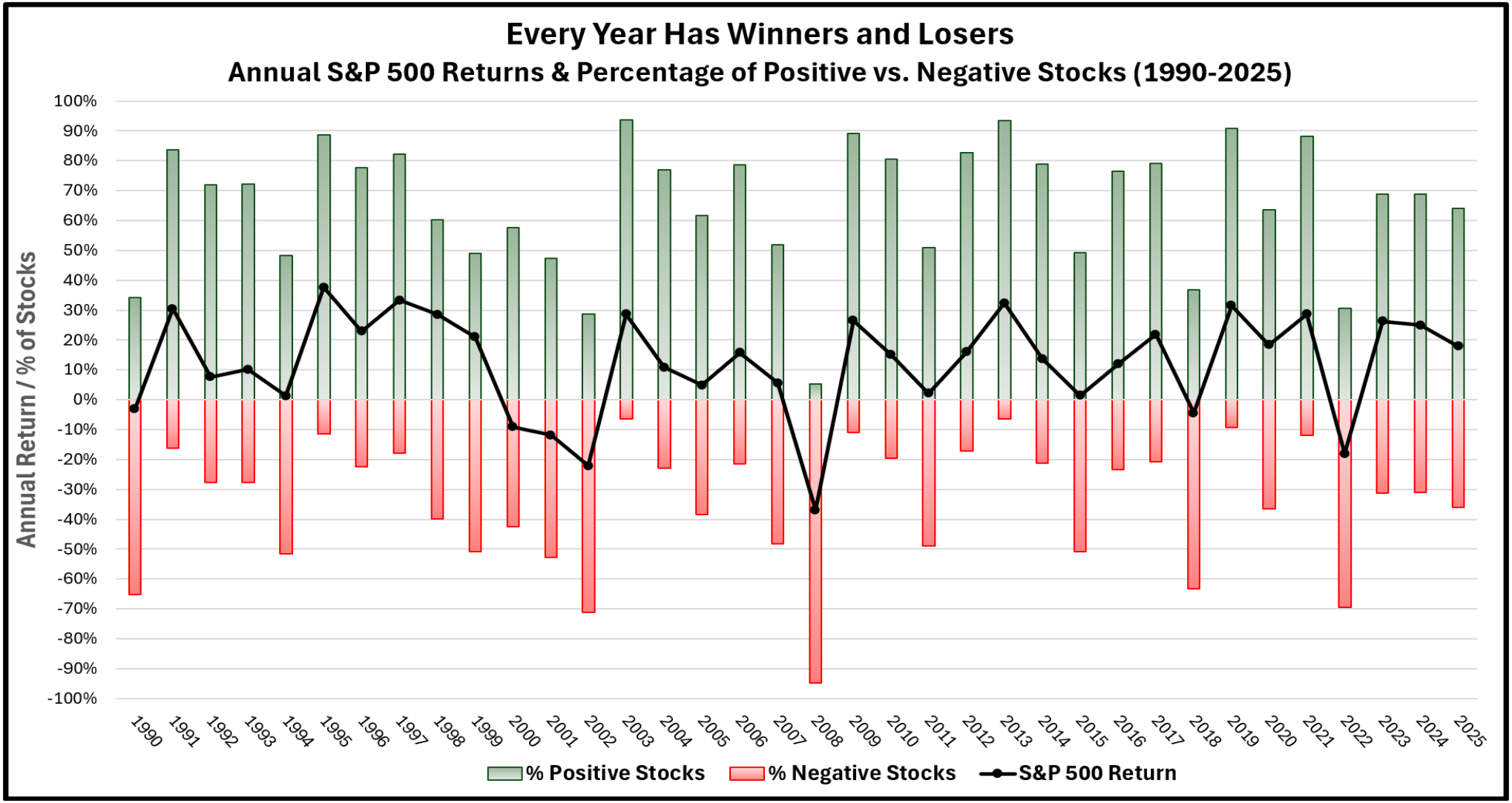


Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.

Every Year Has Winners and Losers

Every year produces both winners and losers, regardless of the index's performance. Even in 2008, some stocks posted gains, while in strong years like 2025, more than one-third of stocks still declined.

The chart below highlights the percentage of individual stocks with positive and negative returns in each calendar year from 1990 through 2025, alongside the corresponding S&P 500 index return. By investing in diversified basket of stocks that seeks to track the index – rather than owning individual stocks – investors benefit from broad diversification, helping smooth returns and reduce volatility over time, even as market leadership shifts year to year.

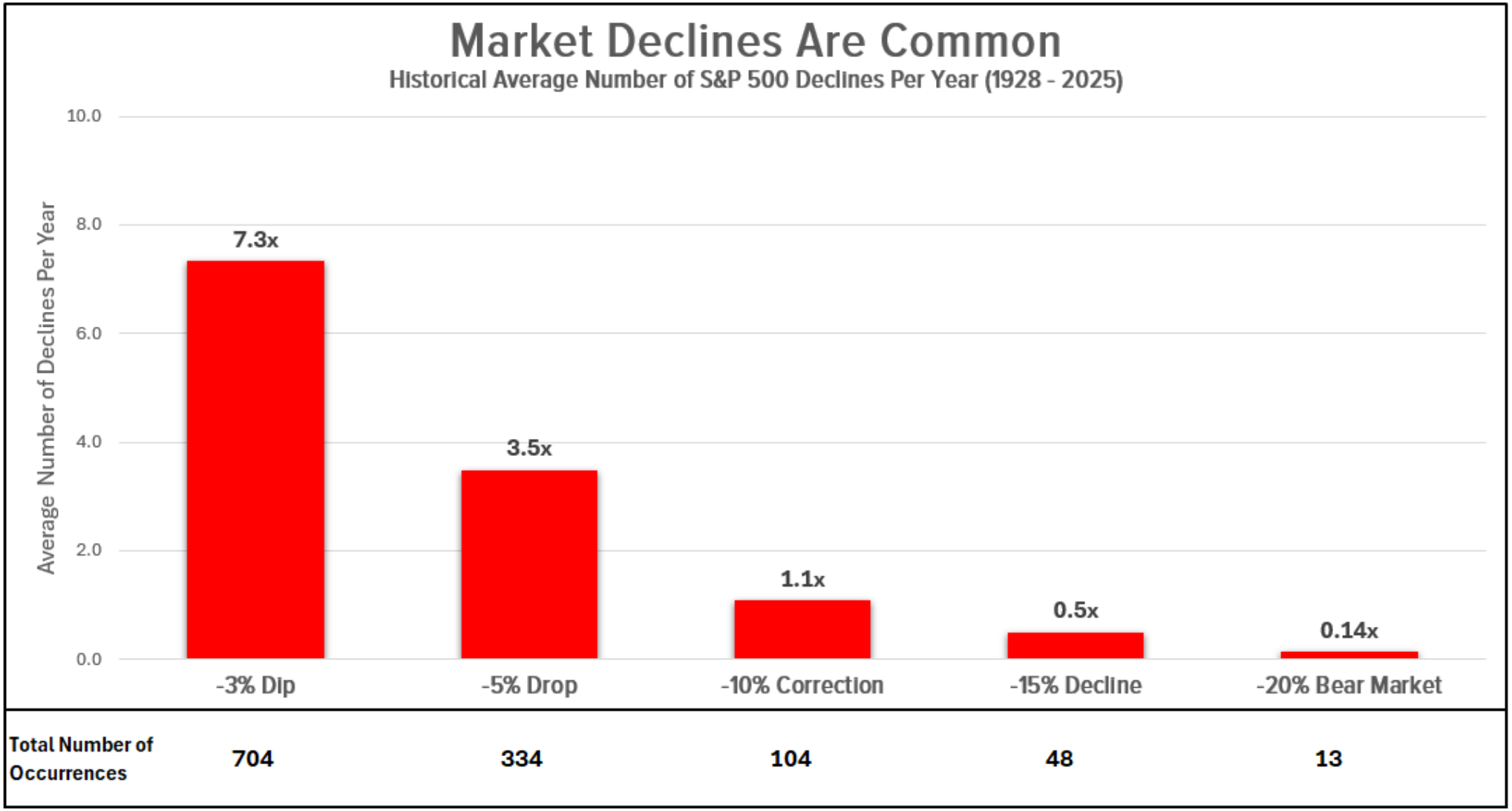


Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.

Market Declines Are Common

One of the key pillars to our investment philosophy is to maintain a long-term viewpoint as markets can be incredibly volatile over short time periods. During inevitable market declines, while they can certainly be uncomfortable, we utilize the volatility as an opportunity to make lemonade out of lemons by proactively tax-loss harvesting and repositioning portfolios.

The following chart displays the average annual and total number of occurrences of various market declines in the S&P 500 from 1928 – 2025. For example, the S&P 500 has averaged over seven -3% dips and about one -10% Correction each year, and a Bear Market every 0.14 years (about one every seven years).



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

Bear Markets Happen

A bear market is defined as a decline of -20% on a closing basis without a subsequent +20% increase.

Since 1929, the S&P 500 has experienced 13 bear markets (about one every seven years). During these periods, the S&P 500 took about 17 months to reach the bottom with a median price decline of -34%.

Historically, bear markets have created strong buying opportunities as the S&P was significantly higher 1-, 3-, and 5- years after the trough.

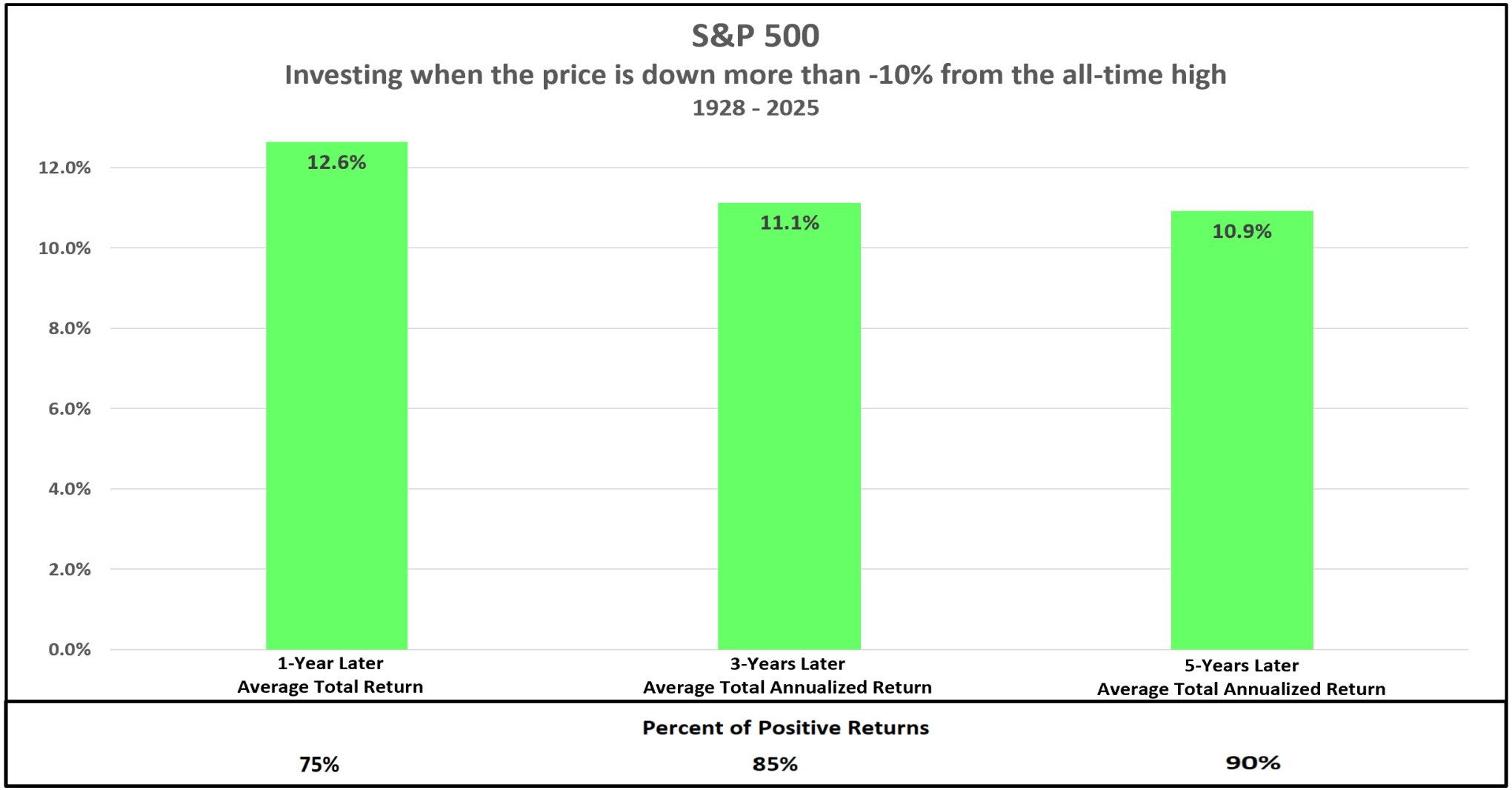
S&P 500 Bear Markets 1929 - 2025								
Market Event	Economic Recession	S&P 500 Peak	S&P 500 Trough	Peak to Trough (Months)	Peak to Trough Price Decline	1-Year Total Return Post Trough	3-Year Total Return Post Trough	5-Year Total Return Post Trough
Great Depression	Yes	September 1929	June 1932	33	-86.2%	121.4%	117.7%	287.9%
1937 Fed Tightening	Yes	March 1937	March 1938	13	-54.5%	34.8%	36.3%	82.8%
Post World War II Crash	Yes	May 1946	June 1949	37	-29.6%	59.9%	132.8%	206.8%
Eisenhower Recession	Yes	July 1957	October 1957	3	-20.7%	36.2%	52.0%	68.9%
Flash Crash of 1962 / Cold War	No	December 1961	June 1962	7	-28.0%	37.5%	75.0%	107.0%
Tech Crash of 1970	Yes	November 1968	May 1970	18	-35.4%	48.9%	71.3%	56.1%
Stagflation	Yes	January 1973	October 1974	21	-48.2%	44.4%	76.4%	122.9%
Volcker Tightening	Yes	November 1980	August 1982	21	-27.1%	66.1%	111.0%	300.3%
Crash of 1987	No	August 1987	December 1987	3	-33.5%	26.0%	61.1%	127.5%
Tech Bubble	Yes	March 2000	October 2002	31	-49.1%	36.1%	62.4%	118.8%
Global Financial Crisis	Yes	October 2007	March 2009	17	-56.8%	72.3%	115.0%	208.8%
Global Pandemic	Yes	February 2020	March 2020	1	-33.9%	77.8%	85.1%	173.5%
Inflation / Fed Tightening	No	January 2022	October 2022	9	-25.4%	23.6%	91.4%	
Average (13)				17	-40.6%	52.7%	83.6%	155.1%
Median (13)				17	-33.9%	44.4%	76.4%	125.2%
Average (12. Ex. Great Depression)				15	-36.9%	47.0%	80.8%	143.0%
Median (12. Ex Great Depression)				15	-33.7%	41.0%	75.7%	122.9%
Average (3. No Recession)				6	-29.0%	29.0%	75.8%	117.3%

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

Investing After Market Declines

The following chart utilizes S&P 500 month-end data from 1928 – 2025 and shows the subsequent 1-, 3-, and 5-Year total return when the initial investment occurs when the index price is down more than -10% from the all-time high. Historically investing after market declines has produced both strong average annualized returns and a high percentage of positive outcomes.

During difficult market periods, we believe those who were able to either stay invested, rebalance, or add to their existing holdings will eventually be rewarded. *Historically, equity markets have recovered from recessions and downturns. Past performance is no guarantee of future returns. Consider your own risk tolerance, financial circumstances, and time horizon.*



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

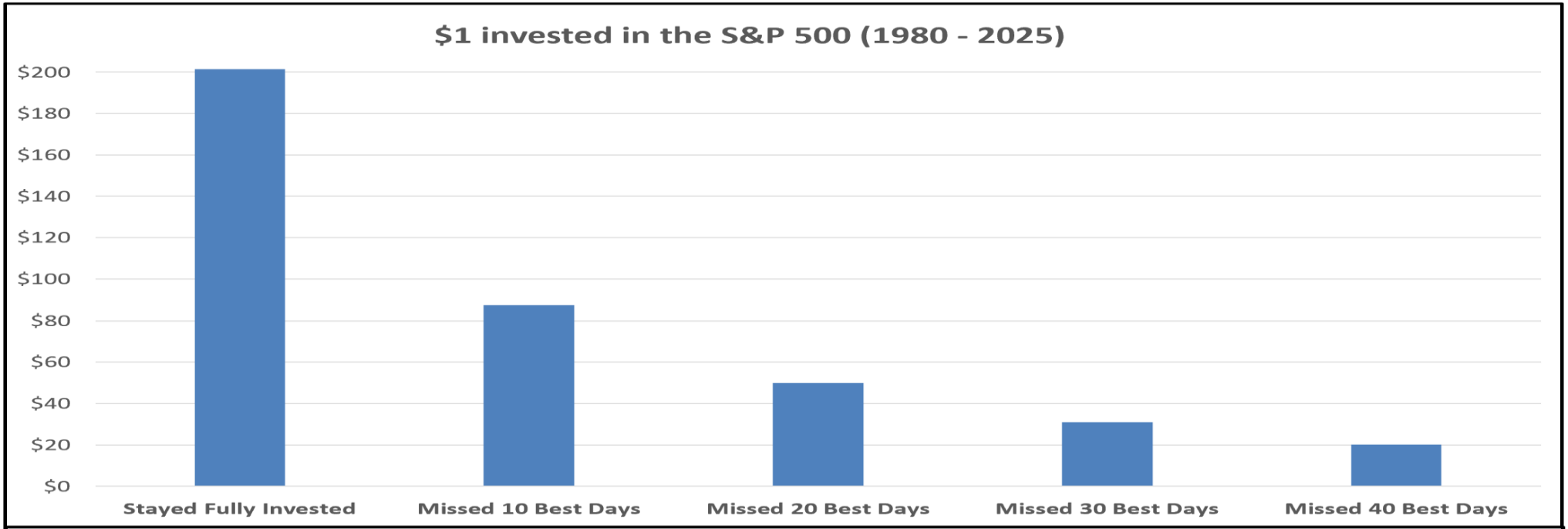
Missing the Best Days Crushes Investor Returns

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

A $1 investment in 1980 would have increased to about $201 at the end of 2025. Note, this period includes nearly 11,600 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. All ten of the best days in the market over the past forty-five years occurred during periods of significant market stress, including the Global Financial Crisis (2008–2009), the COVID pandemic (2020), the aftermath of the 1987 crash, and recent trade-related volatility (2025). Nervous or frustrated investors who threw in the towel would have missed the subsequent market rebound and devastated their portfolios.

During periods of market turmoil, it is impossible to know when the market bounce will occur, but we do know that missing the bounce has historically had a severe negative impact on total return.



	Stayed Fully Invested	Missed 10 Best Days	Missed 20 Best Days	Missed 30 Best Days	Missed 40 Best Days
Total Return	$201	$87	$50	$31	$20
Annualized Return	12.2%	10.2%	8.9%	7.7%	6.7%

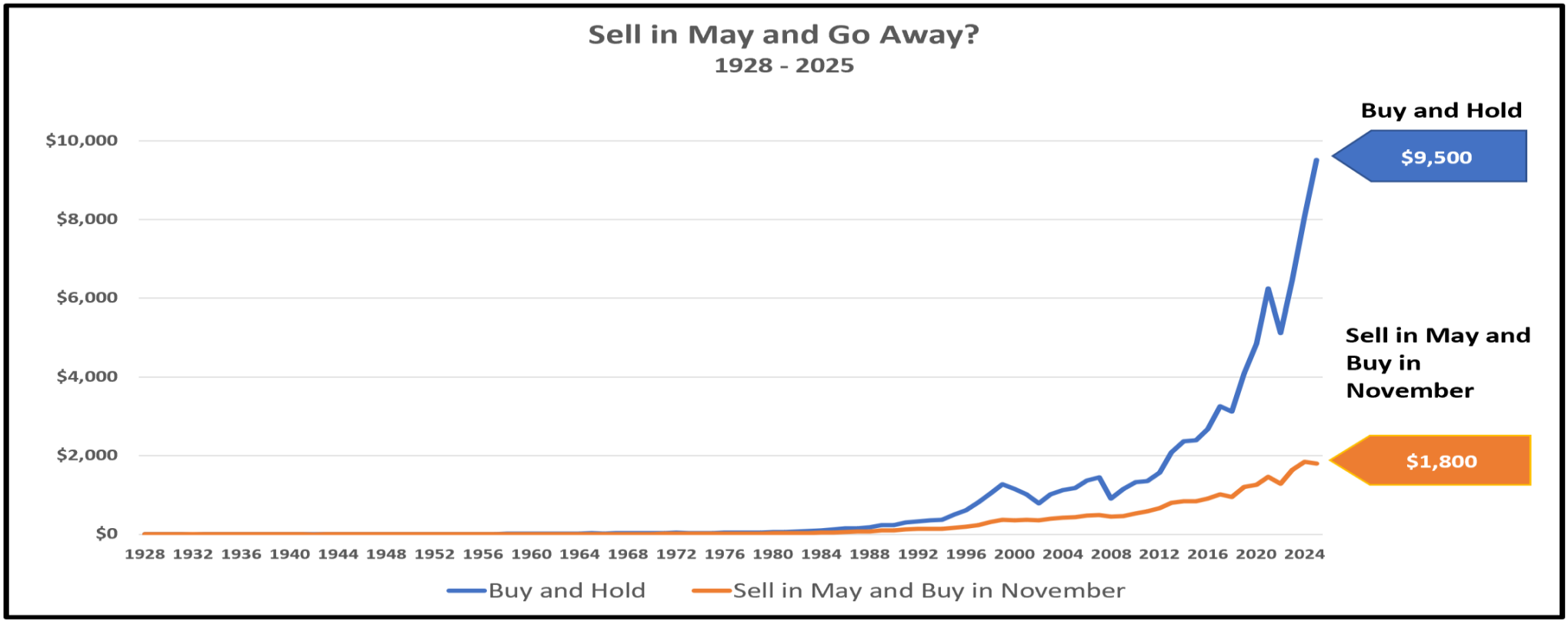
Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.

Sell in May and Go Away?

The old investment adage, "Sell in May and Go Away," comes from the belief that the stock market generates most of its gains between November and April, and that it goes nowhere or declines from May to October. The phrase traces back to English merchants and bankers who left London for the summer and returned in the fall. On Wall Street, traders and portfolio managers also historically took extended vacations between Memorial Day and Labor Day.

To test this theory, we compared a traditional buy-and-hold investment in the S&P 500 to a systematic market timing "Sell in May and Go Away" strategy. Under the market timing approach, an investor sells stocks on May 1st, invests in Treasury bills for six months, and reinvests in equities on November 1st. When we update the data through 2025, long-term results strongly favor staying invested. Notably, the gap widened further in 2025, as the market rallied nearly +24% from May 1st to October 31st - a period entirely missed by the market-timing strategy - resulting in a negative return for the year. This highlights a core challenge with market timing strategies: some of the stock market's strongest gains often occur when investors least expect them.

We do not view "Sell in May and Go Away" as a serious long-term investment strategy. Seasonal timing does not work consistently, can create meaningful tax consequences, and carries a high opportunity cost when markets rise during the months investors are out of the market. Over time, the power of compounding has been the primary driver of long-term wealth creation.



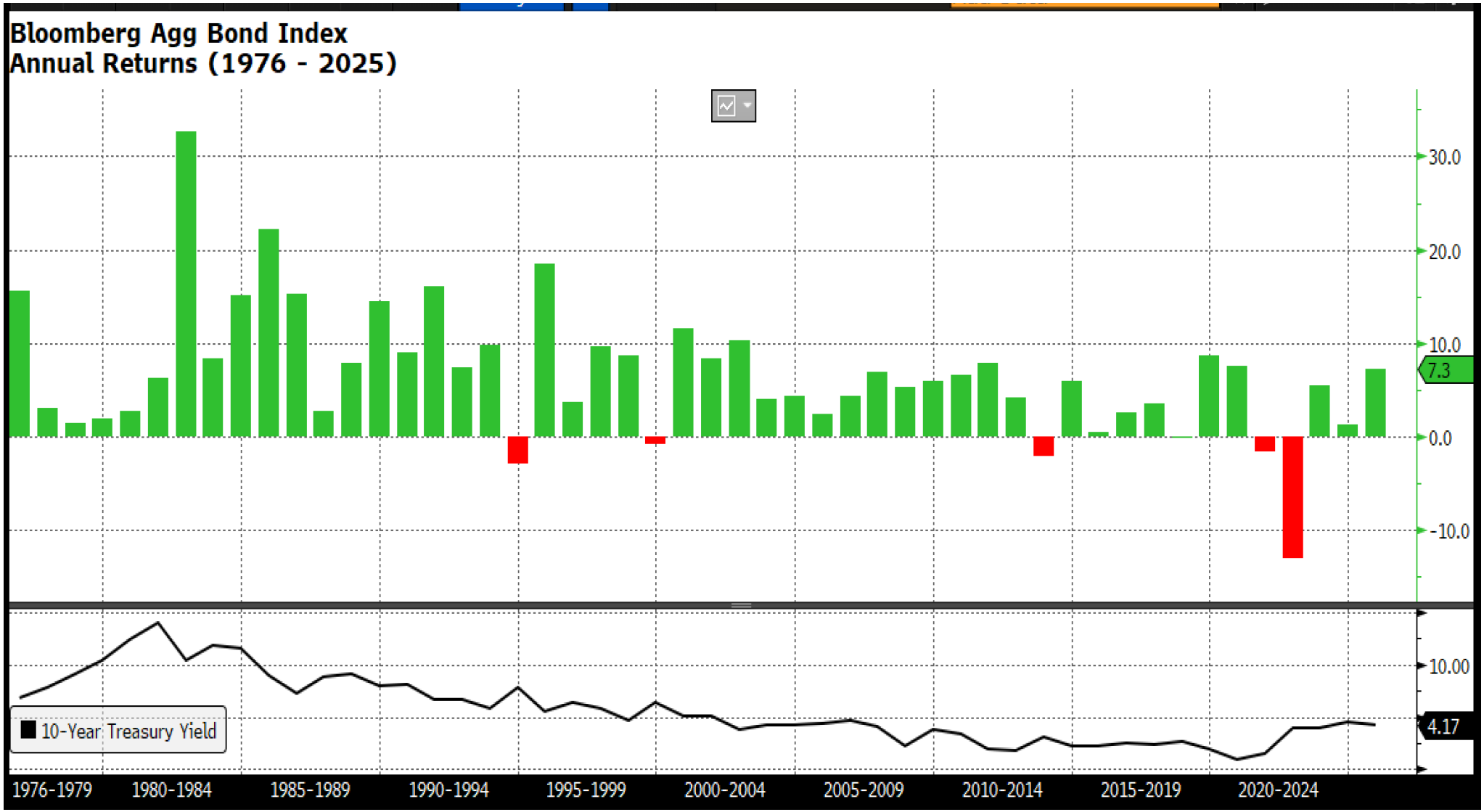
Source: Bloomberg, Invesco, and Federal Reserve Bank of St. Louis. Past performance does not guarantee future results and it is not possible to invest directly into an index.
Hypothetical growth of $1 invested from 1928 - 2025: S&P 500 Buy and Hold vs. S&P 500 selling every May, going to Treasury Bills, and buying again in November.

US Bond Market Annual Returns

The Bloomberg US Aggregate Bond index (Agg) acts as a proxy for the intermediate-term investment-grade bond market. Since the inception of the index in 1976, the bond market has produced a total annualized return of +6.5%.

The bond market posted positive returns in 90% of years, averaging +7.9%, while declines occurred in just 10% of years, with an average loss of -4.1%.

The 10-Year Treasury yield is shown at the bottom of the chart. Bond prices move inversely to interest rates and credit spreads.



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

US Bond Market Yield to Maturity

The following chart shows the yield to maturity for the Bloomberg US Aggregate Bond index (Agg). Yield to maturity is defined as the estimated annualized rate of return an investor can expect on a bond if purchased today and held to maturity, assuming the issuer makes all their interest and principal payments (i.e., no defaults).

Intermediate-term bonds are still an attractive investment opportunity in our opinion as the yield to maturity on the US Agg Bond index ended the year at 4.3%.

In our view, patient investors should be optimistic about intermediate-term fixed income returns over the next several years.

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

Treasury Yield Curve

The yield curve is a graph of a Treasury bond's maturity and its rate of return for various time periods. The maturities that comprise the yield curve generally range from 3-months to 30-years.

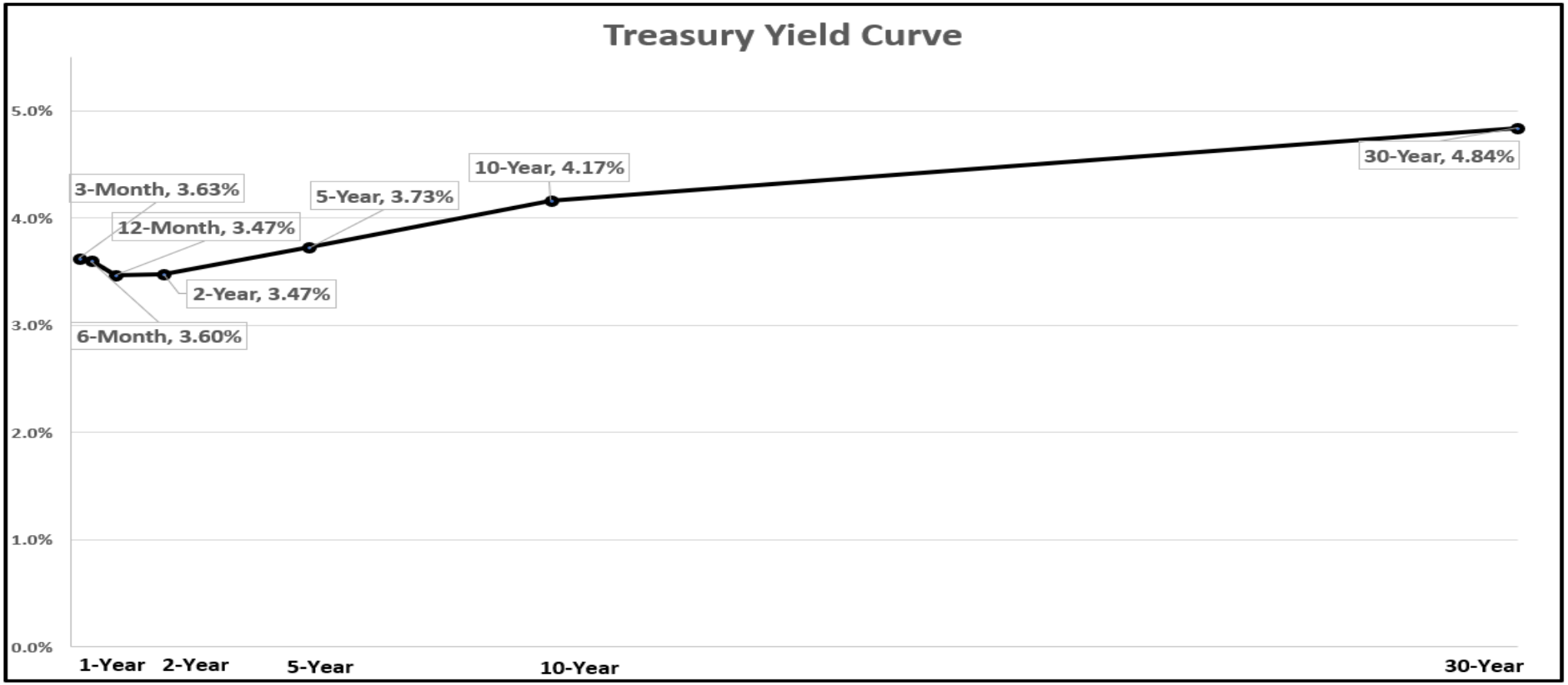
Treasury yields declined across the curve this year as labor-market weakness and easing inflation expectations led the Fed to lower the Federal Funds rate by a cumulative 0.75%, while pulling most longer-term yields lower as well.

Short-Term Treasury Yields: The Federal Reserve influences short-term interest rates by setting the Federal Funds rate.

- Year-end levels: 3-Month: 3-Month: 3.63% (-0.7%), 6-Month: 3.60% (-0.7%), 12-Month: 3.47% (-0.7%).

Long-Term Treasury Yields: The market determines long-term yields based on supply dynamics, including elevated federal debt issuance, and investor demand, which vary with expectations for future inflation and economic growth.

- Year-end levels: 10-Year: 4.17% (-0.4%), 20-Year: 4.79% (-0.1%), 30-Year: 4.84% (+0.1%).



Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an 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 2011 to 2025 (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

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2011 - 2025 Annualized Return	2011 - 2025 Annualized Volatility	2011 - 2025 Sharpe Ratio
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%	Large Cap 26.3%	Large Cap 25.0%	Emerging Markets 33.6%	Large Cap 14.0%	Small Cap 19.2%	Large Cap 0.90
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%	Developed International 18.2%	Mid Cap 13.9%	Developed International 31.2%	Mid Cap 10.7%	Mid Cap 17.1%	Asset Allocation 0.74
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 16.9%	Asset Allocation 12.6%	Large Cap 17.9%	Small Cap 9.5%	Emerging Markets 17.0%	High Yield 0.66
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%	Mid Cap 16.4%	Small Cap 11.5%	Commodities 15.8%	Asset Allocation 8.4%	Developed International 14.8%	Mid Cap 0.54
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 16.1%	High Yield 8.2%	Asset Allocation 14.8%	Developed International 6.6%	Large Cap 14.0%	Small Cap 0.42
Mid Cap -1.7%	High Yield 15.8%	High Yield 7.4%	High Yield 2.5%	Mid Cap -2.2%	Emerging Markets 1.2%	Small Cap 14.6%	Small Cap -11.0%	Emerging Markets 18.4%	Developed International 7.8%	Developed International 11.3%	Developed International -14.5%	High Yield 13.4%	Emerging Markets 7.5%	Small Cap 12.8%	High Yield 6.0%	Commodities 13.8%	Developed International 0.35
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%	Emerging Markets 9.8%	Commodities 5.4%	High Yield 8.6%	Emerging Markets 3.8%	Asset Allocation 9.4%	Fixed Income 0.22
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%	Fixed Income 5.5%	Cash 5.3%	Mid Cap 7.5%	Fixed Income 2.4%	High Yield 6.9%	Emerging Markets 0.14
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 5.1%	Developed International 3.8%	Fixed Income 7.3%	Cash 1.5%	Fixed Income 4.4%	Cash 0
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 -7.9%	Fixed Income 1.3%	Cash 4.3%	Commodities -1.1%	Cash 0.5%	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

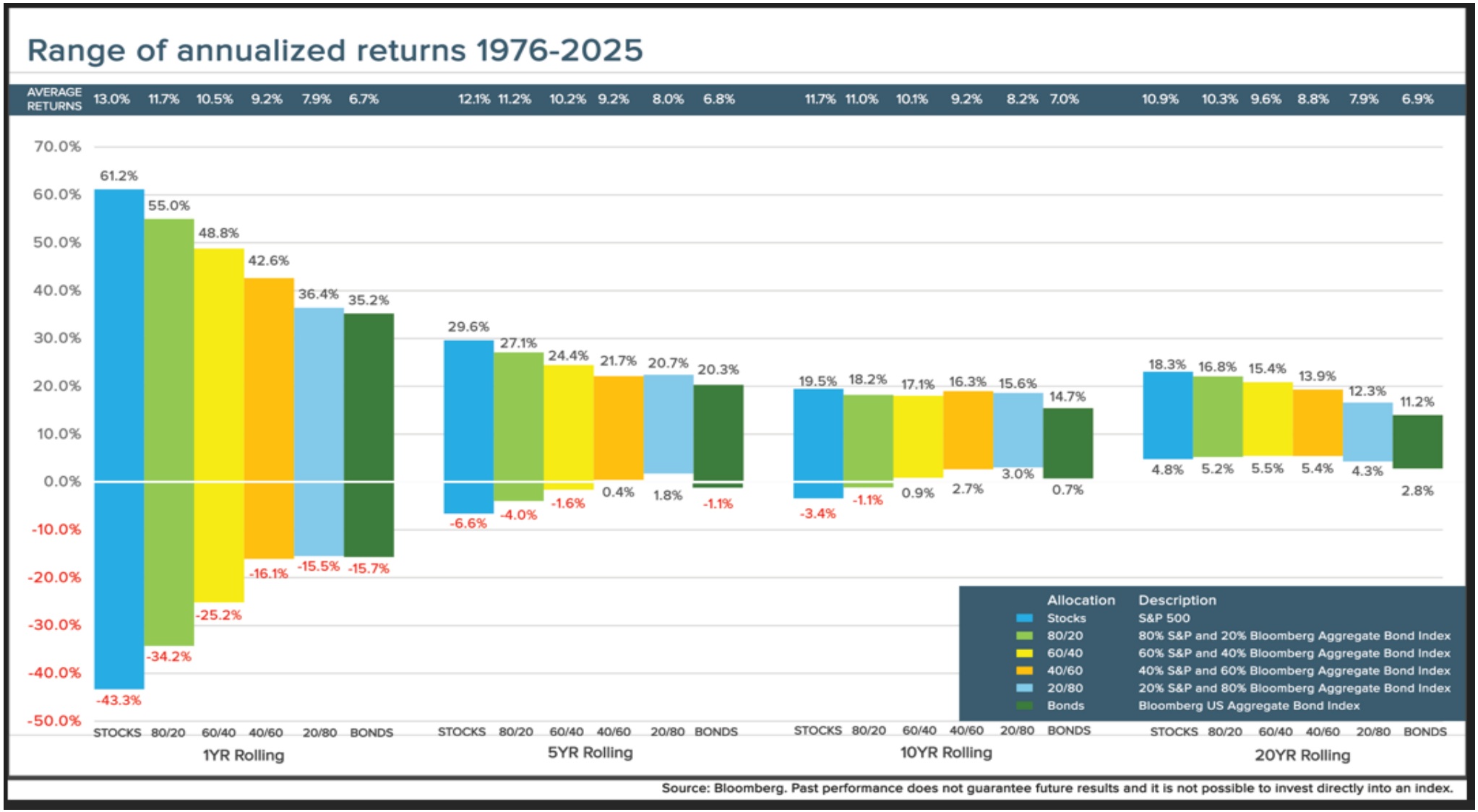
Large Cap:	40%	Developed International:	9%	Fixed Income:	30%
Mid Cap:	4%	Emerging Markets:	3%	Treasury Bills:	3%
Small Cap:	4%	High Yield	5%	Commodities:	2%

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 2025.

As the rolling time-period increases, the range of outcomes narrows 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. Consider your own risk tolerance, financial circumstances, and time horizon when investing.*



Source: Bloomberg. Total annualized returns calculated using 12-month rolling periods. Rebalanced annually. Past performance does not guarantee future results and it is not possible to invest directly into an index.

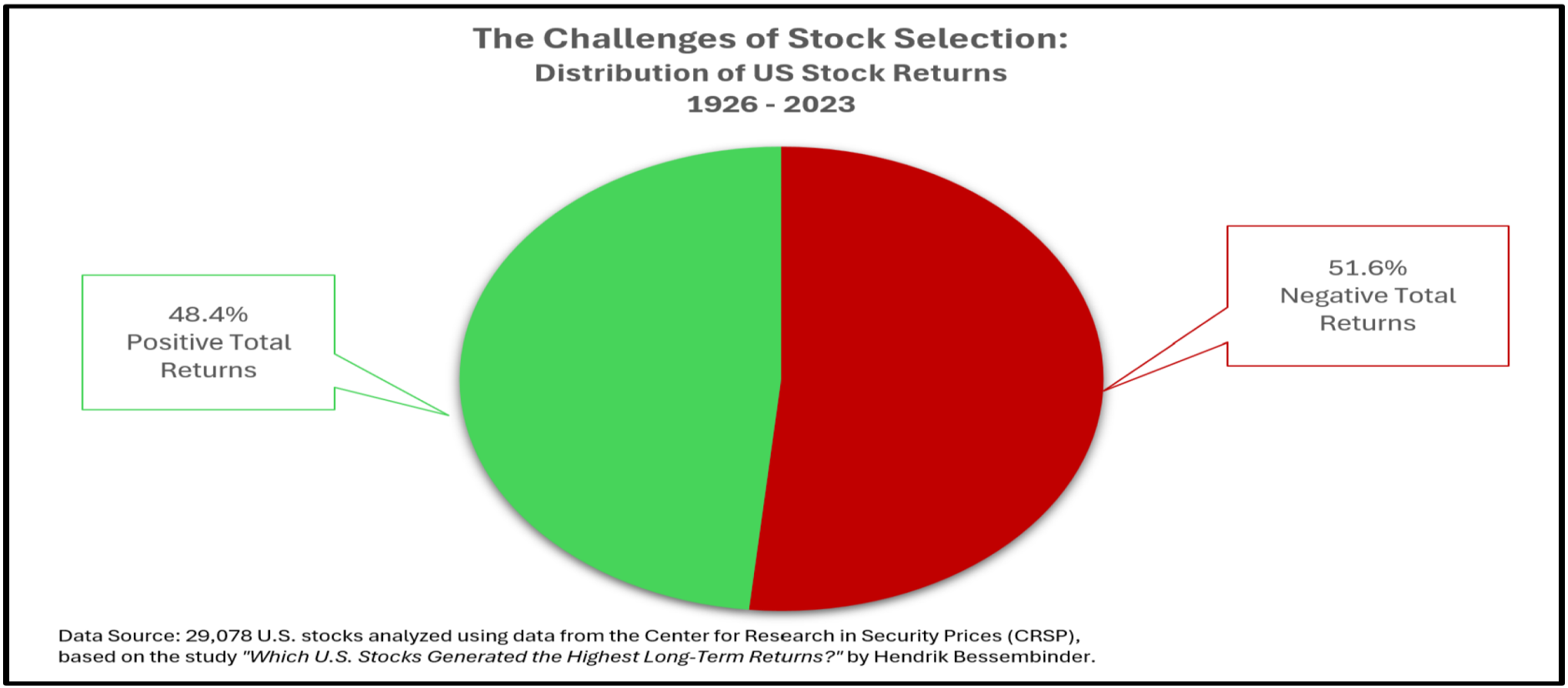
The Challenges of Stock Selection

Research by Hendrik Bessembinder examined 29,078 publicly-listed U.S. common stocks, using data from the Center for Research in Security Prices (CRSP) in an effort to identify the percentage of stocks that generated a positive total return from 1926 to 2023.

The total return for each stock was calculated as the final value per dollar initially invested, following a buy-and-hold strategy with dividends reinvested back into the same stock. This calculation covered the period from when stocks were first added to CRSP to either the time of delisting or the end of the sample period. For stocks that were delisted before the end of the sample period, the total return includes CRSP's final "delisting return."

The study found more than half (51.6%) of all stocks produced negative total returns. On average, stocks remained in the database for only 11.6 years, with a median of 6.8 years. The results emphasize the risks to owning individual stocks and the importance of diversification.

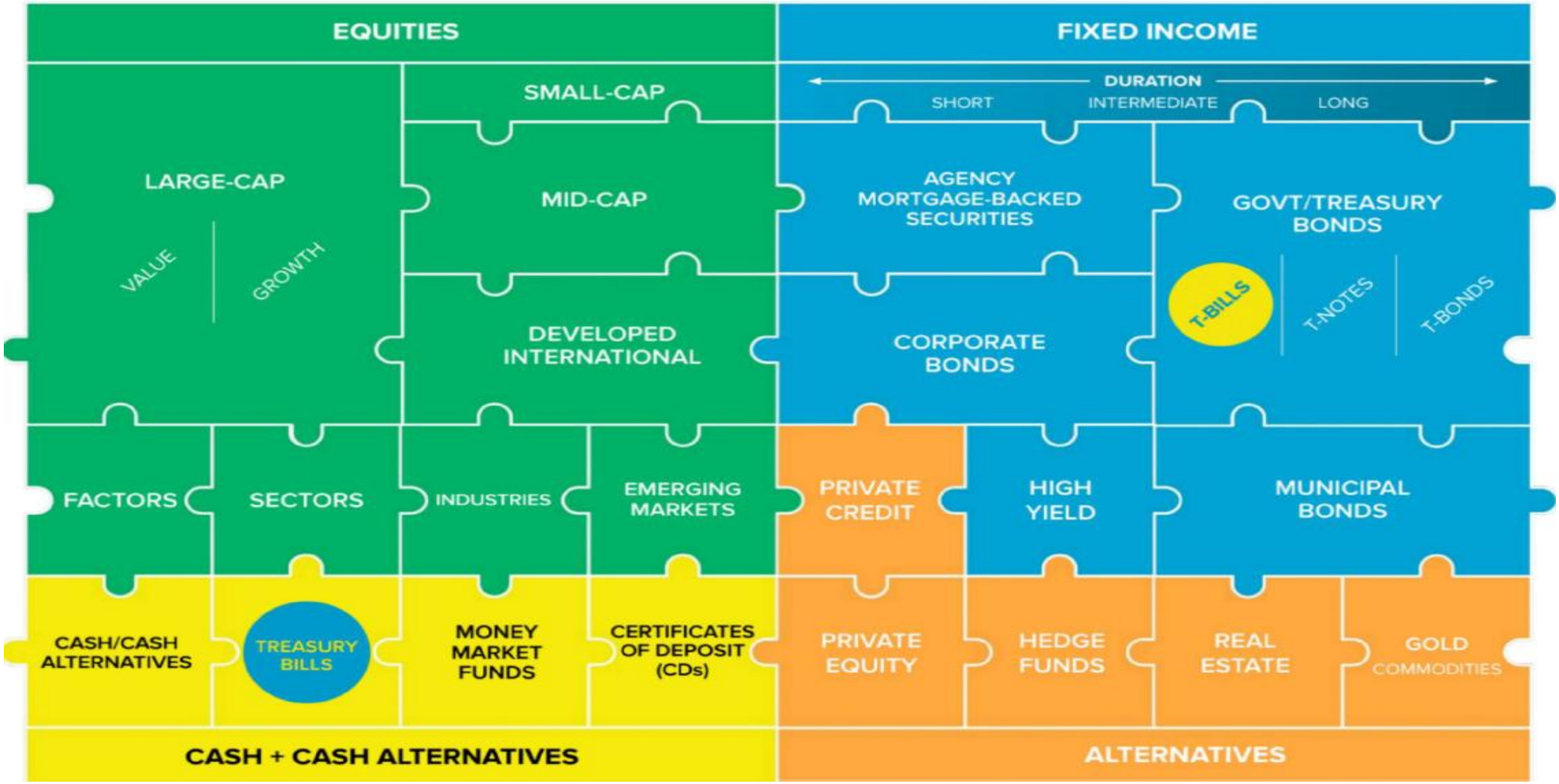
By investing in the broad market or a diversified basket of stocks, losses from underperforming companies can be offset by gains from others. This reduces idiosyncratic risk and lowers overall portfolio volatility. While diversification cannot eliminate market risk (systematic risk) – the risk tied to broader economic and market conditions – it helps ensure that performance is less dependent on any single company.



The Importance of Asset Allocation

Asset allocation is the process of strategically distributing investments across various asset categories — such as equities, fixed income, alternatives, and cash — to seek an optimal balance between risk and return. We believe the ideal asset allocation is personalized, reflecting each investor's unique financial goals, risk tolerance, and investment time horizon. *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.*

Asset allocation investing is akin to assembling a complex puzzle, where each asset class represents a unique piece contributing to the overall picture of a well-balanced portfolio. Similar to puzzle pieces that vary in shape, size, and color, different asset classes offer distinct characteristics, return potential, and risk profiles. Some pieces fit together seamlessly, seeking stability and income, while others add growth potential.



Source: Winthrop Wealth.

Investing in Gold

Gold has long been admired for its natural beauty and versatility, playing a crucial role in human history as a symbol of wealth and power. The use of gold dates back to around 3000 BCE when ancient Mesopotamians crafted it into jewelry and decorative items due to its malleability and luster. Historically, gold tends to outperform in environments of economic instability, sustained high inflation, and currency devaluation, as investors seek safety for wealth preservation. On the other hand, it often underperforms during periods of strong economic growth, moderate inflation, and stable geopolitical climates, when equities and bonds become more attractive investments.

The following chart shows the calendar year returns of gold from 1971 through 2025, the annualized returns by decade, and the annualized performance through 2025 at various starting points. Since 1971, gold has provided an annualized return of about 9.0% exceeding the total CPI inflation rate of approximately 3.9%. However, the starting point matters as gold will fluctuate based on various economic, political, and market factors.

Gold Calendar Year Returns: 1971 - 2025

Total Annualized Return: 9.0%

Positive Years: 36 (65%)

Negative Years: 19 (35%)

Less than -20%	-20% to -10%	-10% to 0%	0% to 10%	10% to 20%	20% to 30%	Greater then 30%
1997	2015	1998	2011			
-21.4%	-12.1%	-0.8%	8.9%			
1975	1988	2018	2012	2003		
-23.7%	-15.3%	-0.9%	8.3%	19.9%		
2013	1983	1994	2016	1986		
-27.3%	-16.3%	-2.2%	8.1%	19.0%		
1981	1984	1989	1985	2019	2010	
-32.6%	-19.4%	-2.8%	6.0%	18.4%	29.2%	
		1990	2004	2005	2024	1979
		-3.1%	4.6%	17.8%	25.5%	126.5%
		1976	2008	1993	2002	1973
		-4.1%	4.3%	17.7%	25.6%	73.0%
		2021	1995	1971	2009	2025
		-4.3%	1.0%	16.7%	25.0%	67.4%
		1996	1999	1980	2020	1974
		-4.6%	0.9%	15.2%	24.6%	63.8%
		2000	2001	1982	1987	1972
		-5.4%	0.7%	14.9%	24.5%	48.8%
		1992	2022	2023	2006	1978
		-5.7%	0.4%	14.6%	23.2%	37.0%
		1991	2014	2017	1977	2007
		-8.6%	0.1%	12.7%	22.6%	31.9%

Annualized Returns By Decade

	1970s	1980s	1990s	2000s	2010s	2020 - 2025
Gold	30.7%	-3.3%	-3.1%	14.1%	3.1%	19.2%
CPI Inflation	7.3%	5.0%	2.9%	2.6%	1.8%	3.9%

Annualized Performance Through 2025 At Various Starting Points

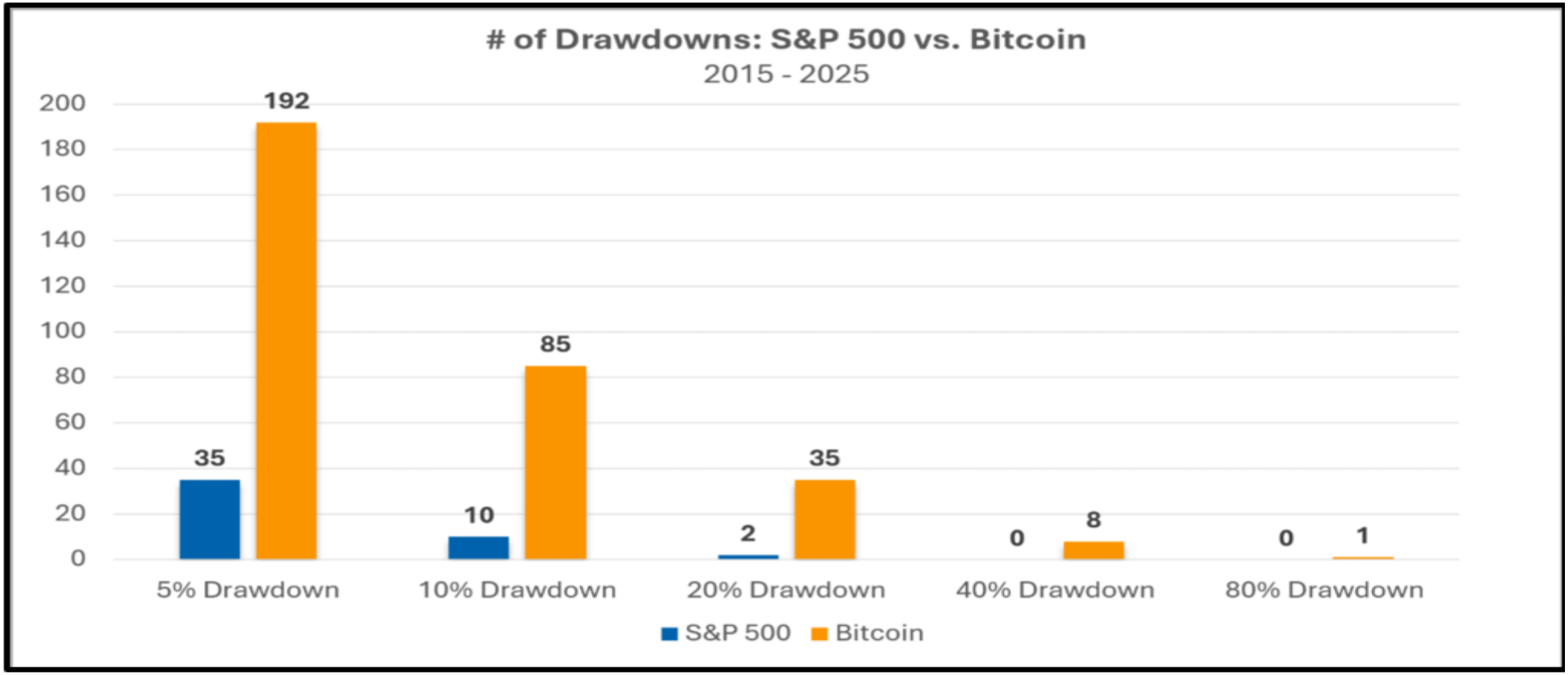
	1971 -	1980 -	1990 -	2000 -	2010 -	2020 -
Gold	9.0%	4.6%	6.9%	11.0%	8.9%	19.2%
CPI Inflation	3.9%	3.2%	2.7%	2.6%	2.6%	3.9%

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

Bitcoin's Volatility in Context

The performance of Bitcoin over the past two decades has been nothing short of remarkable. Prices have exploded from pennies at inception, to $200 in 2015, to over $100,000 more recently. As with other asset classes though, the cost of admission for extreme returns is extreme volatility. Bitcoin's price history is marked by sharp and frequent swings in both directions, a defining characteristic of the asset class. To better assess its behavior in a more mature phase, we focus our analysis on the period beginning in 2015, after the most extreme early-stage volatility had subsided.

To evaluate the consistency and severity of declines over this period, we measured Bitcoin's drawdowns of varying magnitudes and compared them to those of the S&P 500, as shown in the chart below. Perhaps most notable is the frequency of bear markets. A bear market is defined as a decline of -20% on a closing basis without a subsequent +20% increase. Since 2015, Bitcoin has experienced 35 distinct bear markets, compared to just 2 for the S&P 500. Put differently, investors in the S&P 500 might expect a bear market roughly once every 5.5 years, while Bitcoin investors have faced them more than 3 times per year on average. *Digital assets, such as cryptocurrency, are not considered securities and cannot be bought or sold through Winthrop Wealth. Neither Winthrop Wealth nor its advisory representatives may provide advice or recommendations regarding the purchase of digital assets, nor may they recommend liquidation of securities for the purpose of digital asset purchases.*



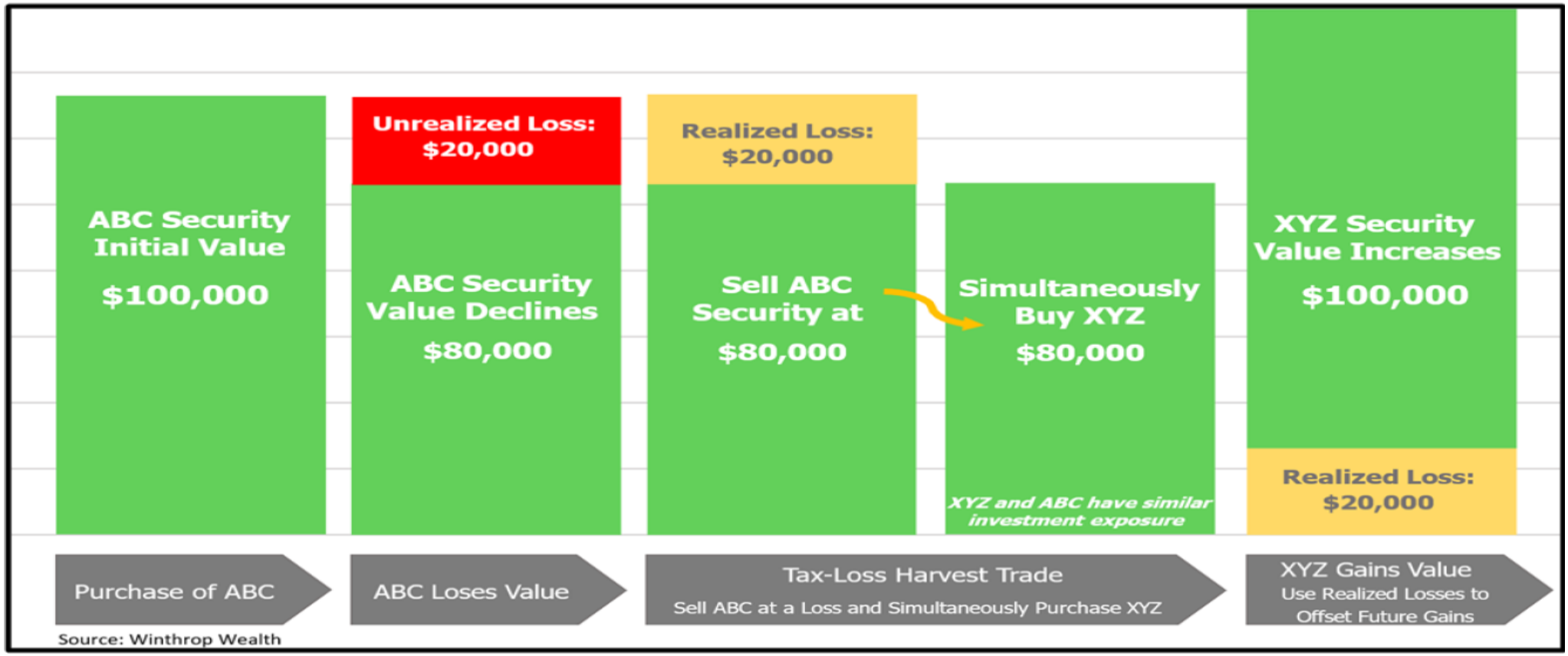
Source: Bloomberg. Past performance does not guarantee future results and it is not possible to invest directly into an index.

Tax-Loss Harvesting

Tax-loss harvesting involves selling an investment (in a non-qualified, taxable account) with a loss and immediately purchasing a different security with similar (but not identical) exposure. *Tax-loss harvesting does not protect against loss and may not be suitable for your individual situation.* The benefits are:

1. **Offsetting Taxable Gains:** The loss on the sold security can be used to offset taxable gains. If losses exceed gains in a given year, up to $3,000 for an individual or married filing jointly ($1,500 for married filing separately) can be used against ordinary income. Any unused losses can be carried forward to future years.
2. **Remaining Invested While Capturing Tax Benefits:** We sell a security to capture a loss while simultaneously purchasing a different security with similar exposure, ensuring clients remain fully invested. We can capture losses during declines, and when the market potentially recovers, the new security may also recover PLUS the client has a tax loss to offset future gains.

The illustration below outlines a hypothetical example of tax-loss harvesting where a client buys $100k worth of ABC security. Two months later, the price had declined by -20%. The client can sell the entire position of ABC for $80k and immediately buy a similar (but not identical) position for that same amount, let's say the new position is XYZ security. Now, assume that the value of XYZ security increases back to $100k. The total value of the position is unchanged, but the client has a $20k tax loss that can be used to lower (or eliminate) taxes owed that year and/or against future gains.



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 approximately 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.

International investing involves special risks such 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 Capital US Corporate High Yield Bond index is an index representative of the universe of fixed-rate, non-investment grade debt.

The Bloomberg 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 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.

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.