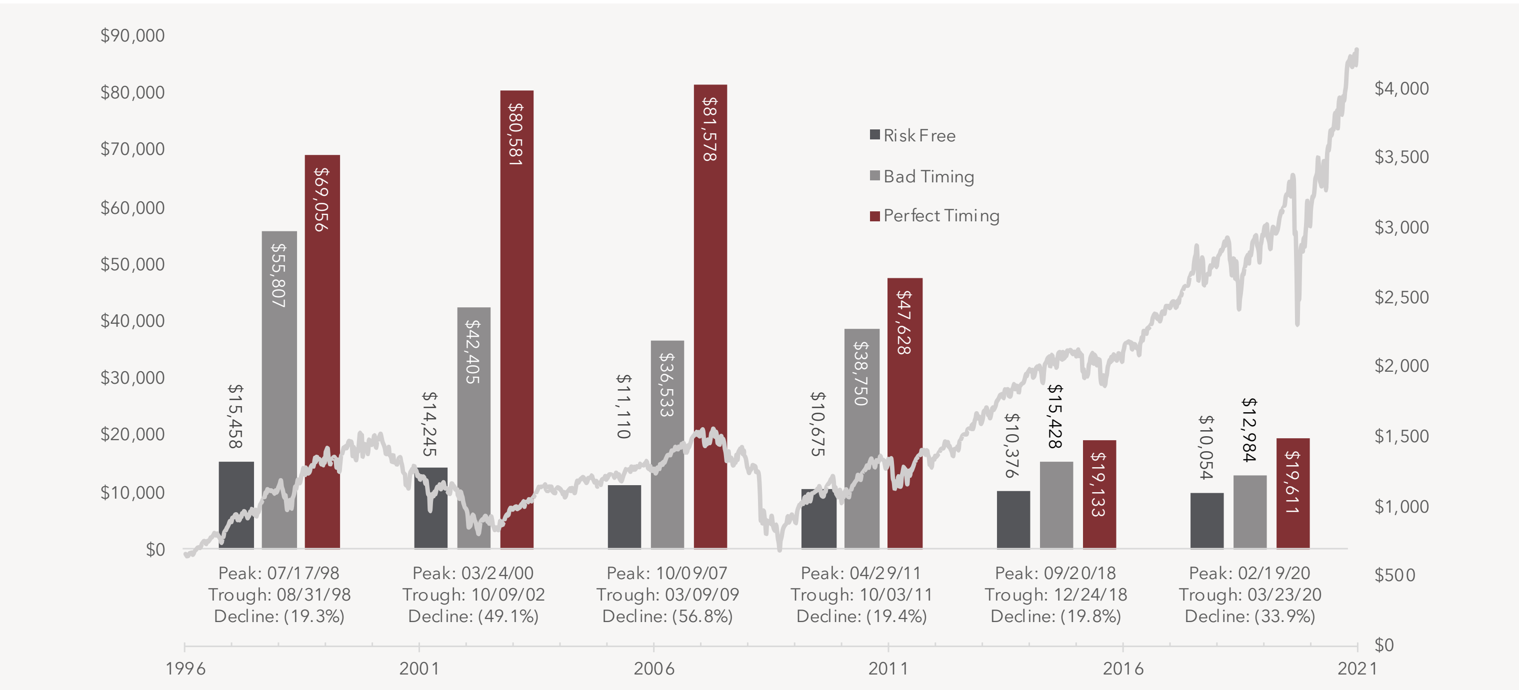
Perfection vs. Participation

Time in the market is more important than timing the market, typically.

When we look at the difference in growth between getting in the market (using the S&P 500) at the "perfect" time and getting in the market at the "worst" time, the numbers don't lie.



3 Worst-Case Economic Scenarios

1

Dot-Com Bubble
Investing in 2000-02
SP 500: -49%

Getting in the market with "perfect" timing yielded growth to $80,500. Getting in with the "worst" timing yielded growth to $42,500.

2

The Great Recession
Investing in 2007-09
SP 500: -57%

During this time, "perfect" timing yielded growth to $81,500. The "worst" timing yielded growth to nearly $36,500. Investing at the "worst" time still beat cash by 229%.

3

COVID-19
Investing in 2020
SP 500: -34%

"Perfect" time investing yielded growth to $19,500, while "worst" time investing yielded growth to $13,000. The "worst" timing still beat cash by 29%.

These data points illustrate how an investment of $10,000 in the S&P 500 can grow over a particular period of time. Each period is relevant in that those specific years were on the precipice of a stock market correction. It obviously takes time to recover from any downturn, so the data points show what you would have as of mid-2021 if you had chosen to invest the $10,000 during each unique starting point.

In every scenario outlined, investing at the "worst" time bested holding cash. Because here's the thing, market drops are very normal and should be expected. Despite the S&P 500 Index being positive in 31 of 41 years, the market's average intra-year decline is 14.3 percent. This is proof that market corrections (10 percent or more declines) are to be expected, as an "average" decline in any given year is almost 15 percent.

Understanding this market history helps us focus on what really matters when it comes to investing. ***Newsflash: investment success is typically less about perfection and more about participation.***

NOTES AND DISCLOSURES

Source: Bloomberg L.P. Stocks are represented by the S&P 500, and cash equivalents by the Bloomberg Barclays U.S. Treasury Bill Index. Indexes are unmanaged, do not incur fees or expenses, and cannot be invested directly.

This chart represents a hypothetical investment and is for illustrative purposes only. Dividends and interest are assumed to have been reinvested, and the example does not reflect the effects of taxes, expenses or fees. The actual annual rate of return will fluctuate with market conditions. Past performance is no guarantee of future results.

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