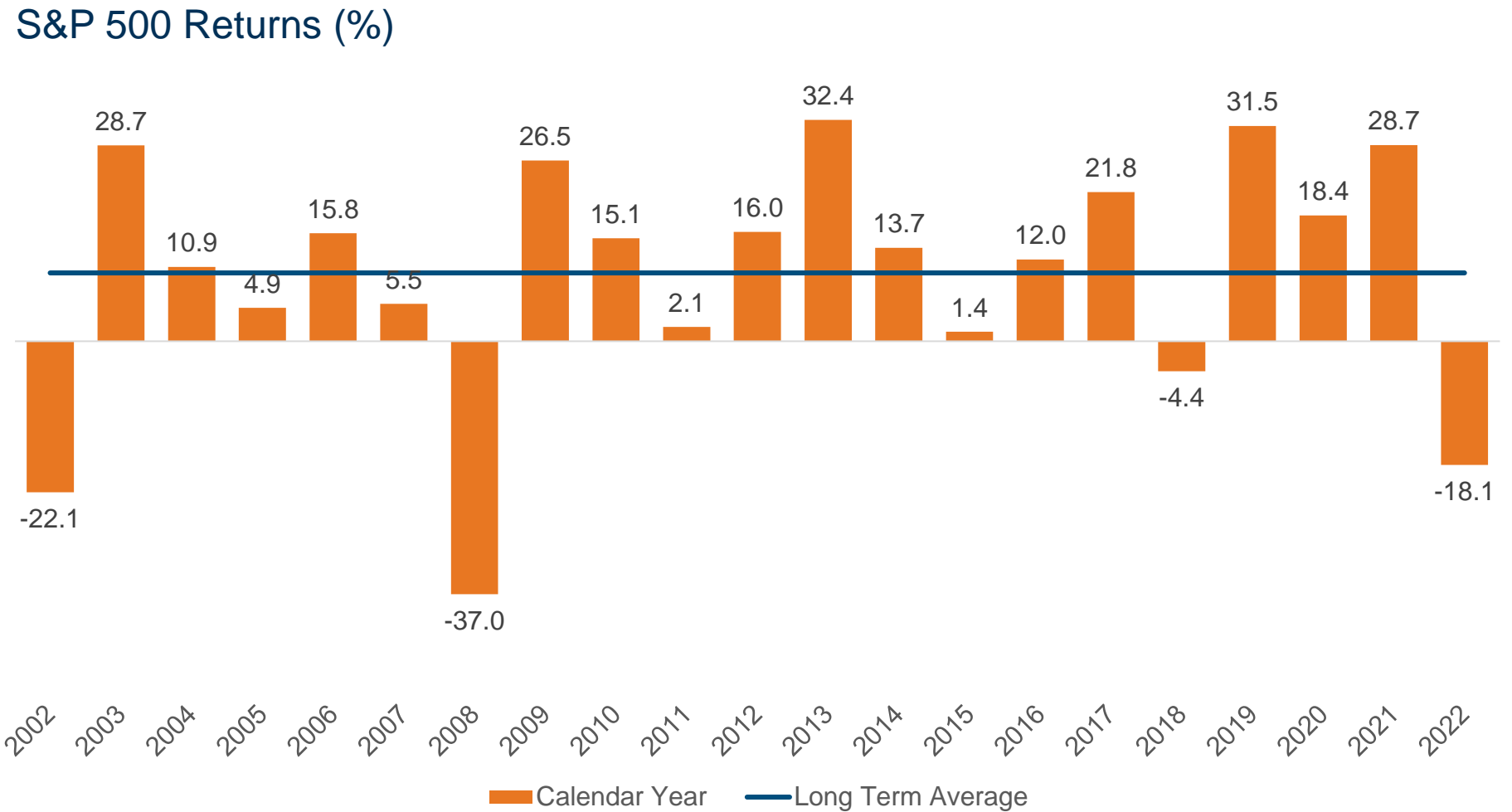


# Why Investing Is Not Simple

Timing the Market

# Long-Term Equity Returns Are Not Earned Evenly

Long-Term  
Average  
Return of  
S&P 500:  
**10%**



Source: Zephyr Style Advisor

For general public use.

# Emotions Can Lead to Investment Mistakes



Timing the Market



Negative Headlines  
=  
Negative Markets

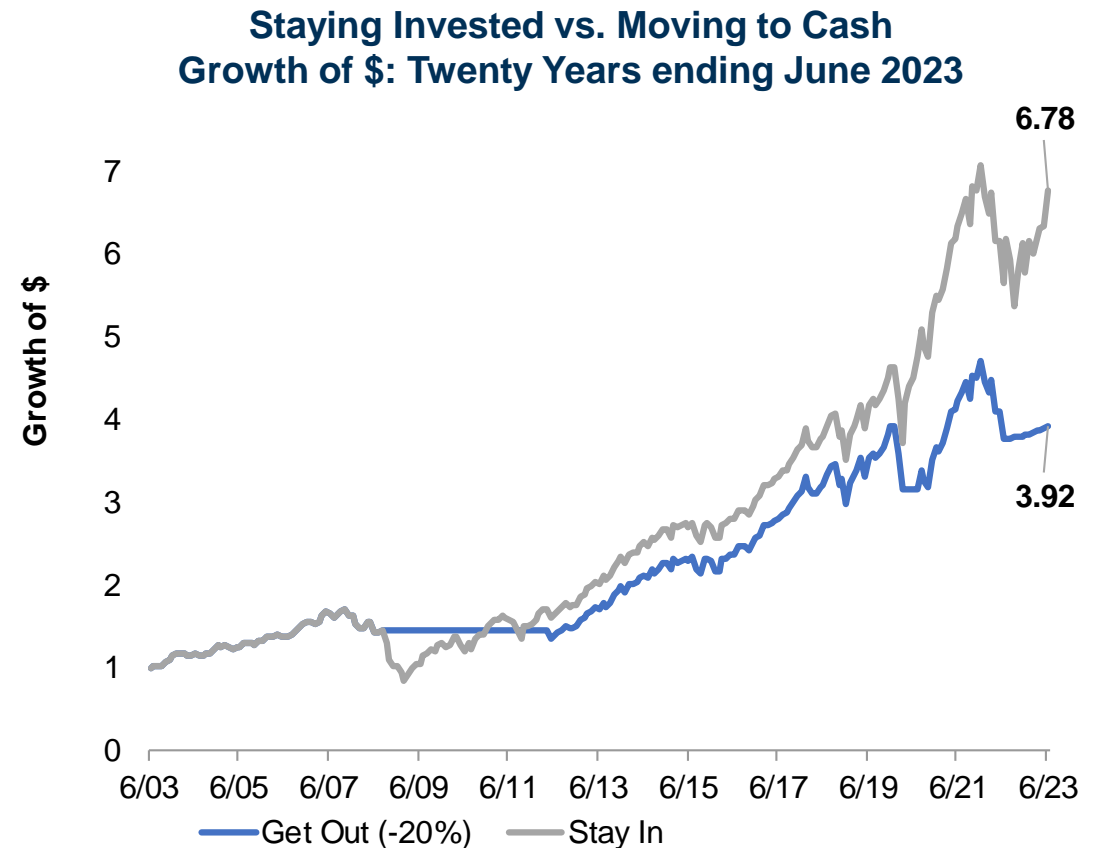
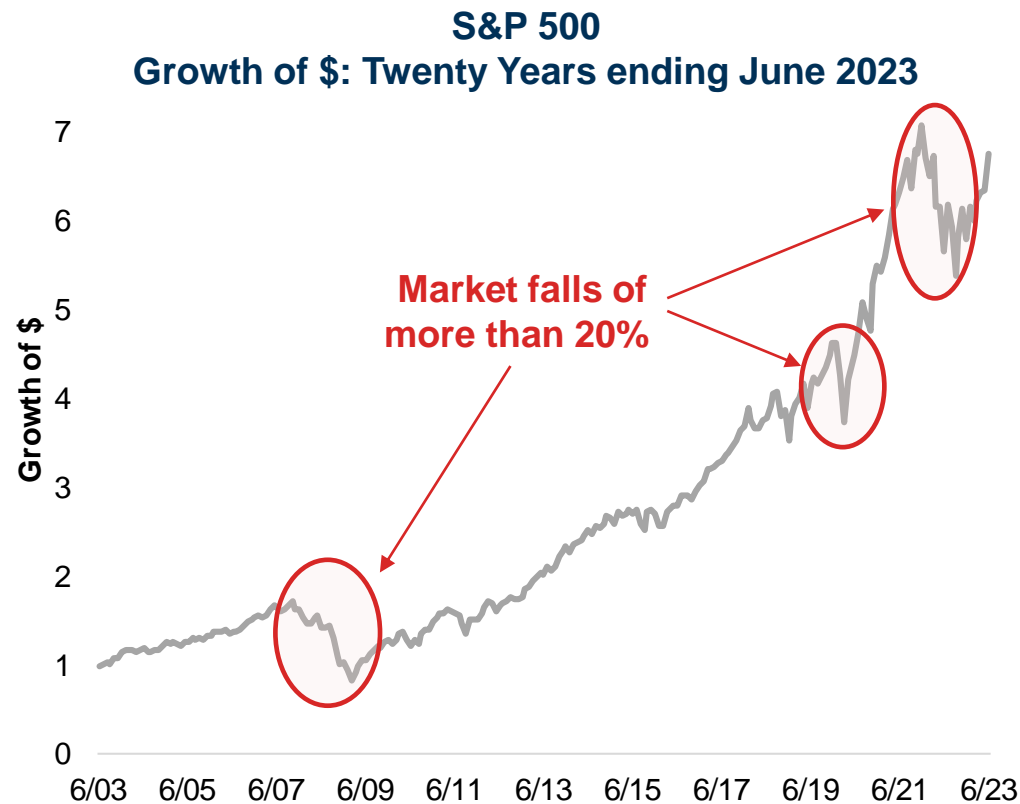


Short-Term Focus

# When Markets Fall, Emotions Can Take Over

We want equity exposure, **but the large drops...**

...can lead to **emotional decisions** that can impact long-term returns.

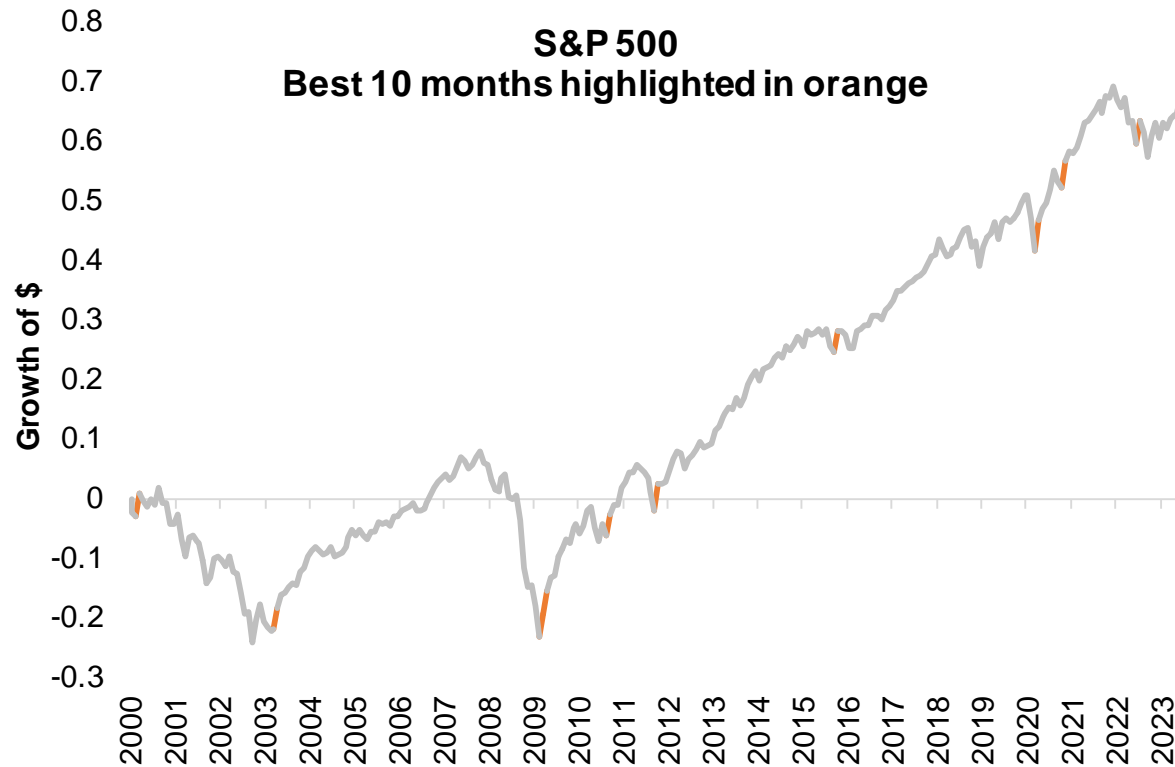


Sources: AssetMark, Zephyr Style Advisor. "Get Out (-20%)" Portfolio switches to cash once bear market threshold hit and stays in cash until market recovers to prior high.

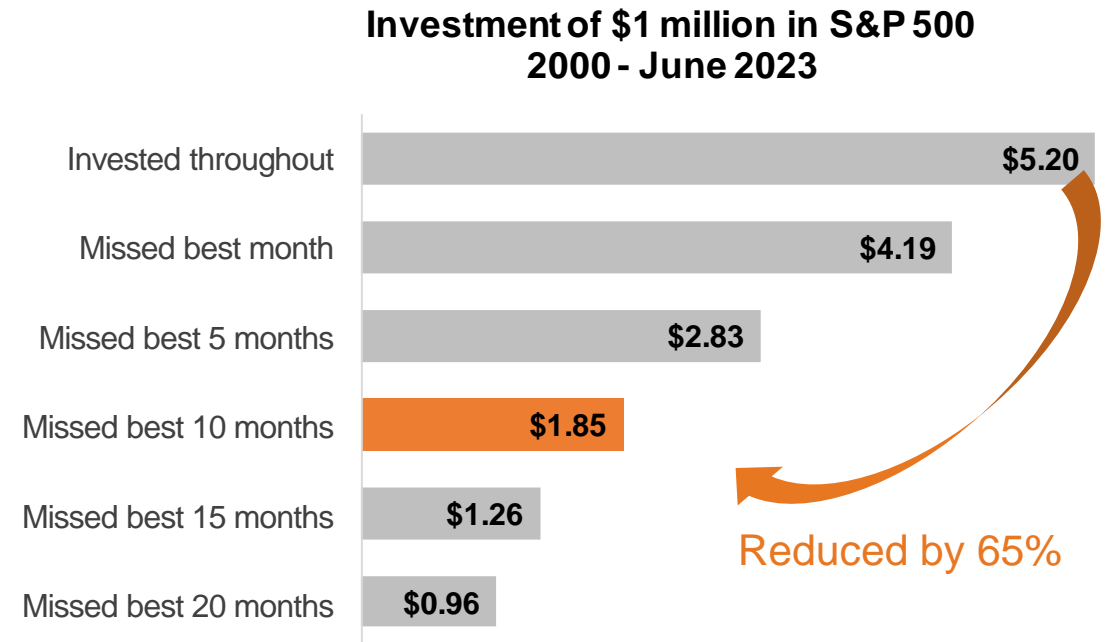
# Timing the Markets Can Mean Missing Big Market Returns

Some of the **best market returns** occur after market downturns...

...and **missing those months** due to an emotional decision can have a big impact on returns.



Sources: AssetMark, Zephyr Style Advisor.



# What To Do?



Know your goals



Tune out the noise



Have a plan



Be disciplined



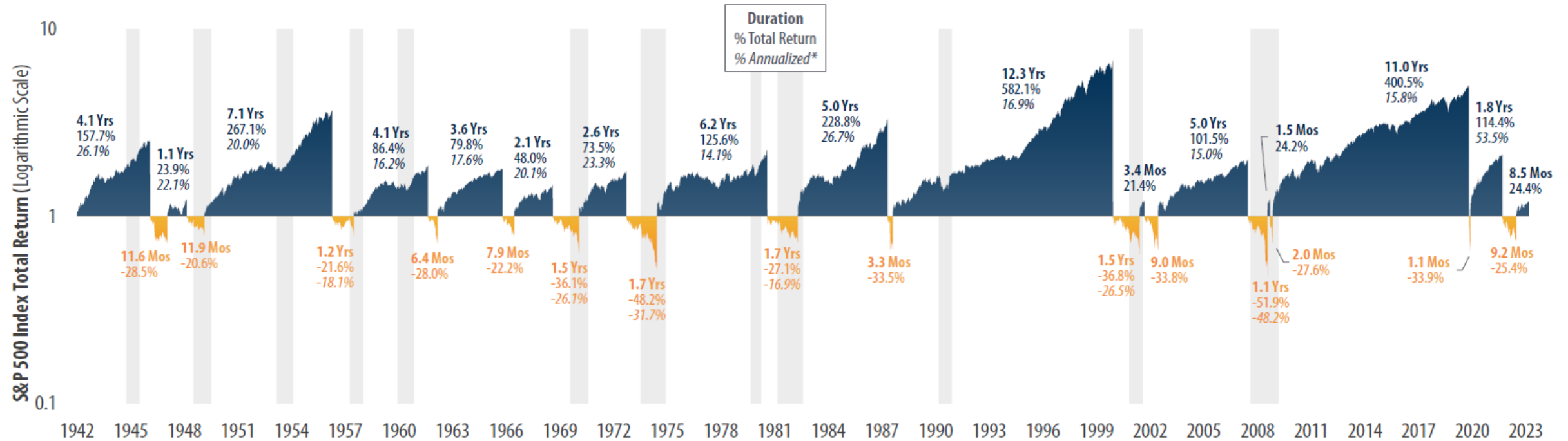
Have a long-term portfolio  
that adapts for the short-term

# Why Investing Is Not Simple

## Negative Headlines

# Long-Term Averages Include the Ups and Downs

## US Equity Market – Bull and Bear Cycles (5/1942 – 6/2023)



Source: First Trust, "Client Resource Kit – Market Perspectives" US Equity Market represented by S&P 500.



# Emotions Can Lead to Investment Mistakes



Timing the Market



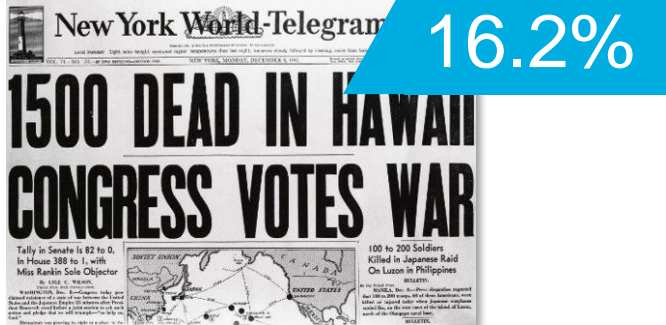
Negative Headlines  
=  
Negative Markets



Short-Term Focus

# Scary Headlines Can Offer Investment Opportunities

## Ten-Year Annualized Return After the Event



Pearl Harbor Bombed (12/7/1941)



Kennedy Assassinated (11/12/1963)



Black Monday (10/19/1987)



Sputnik Launched (10/4/1957)



Nixon Resigned (8/9/1974)

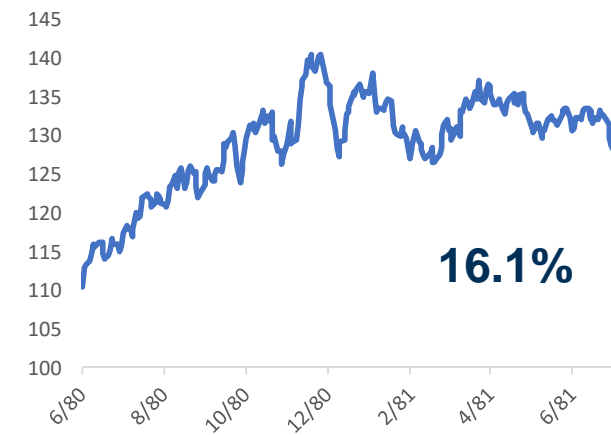
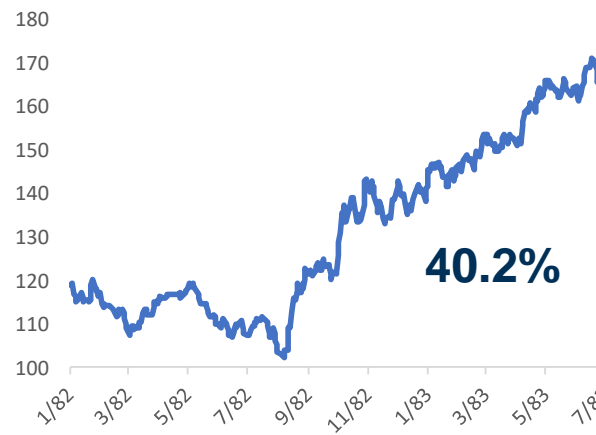
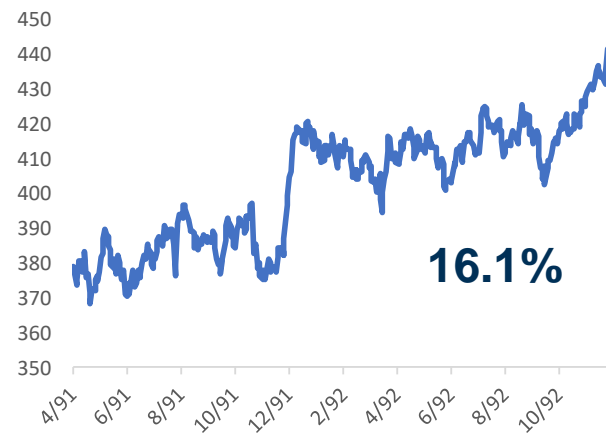
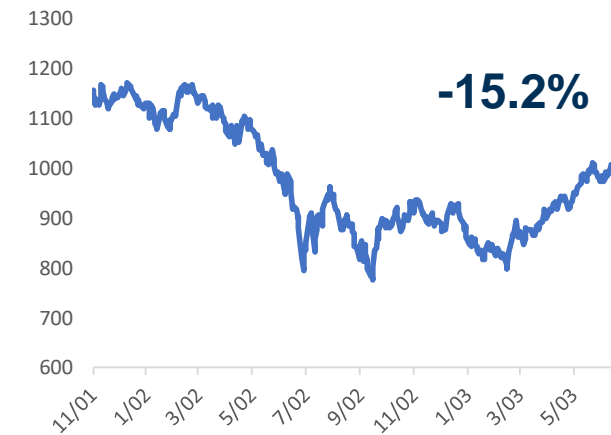
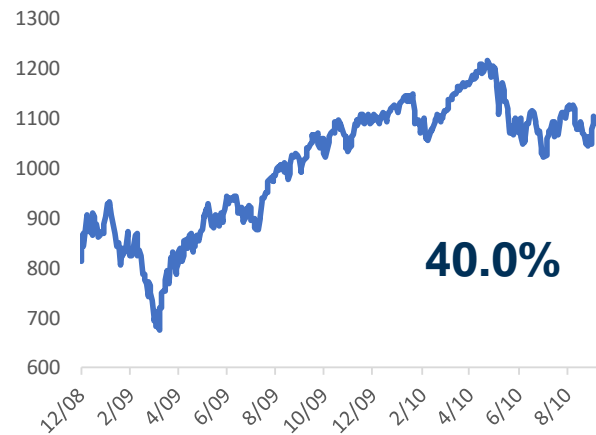
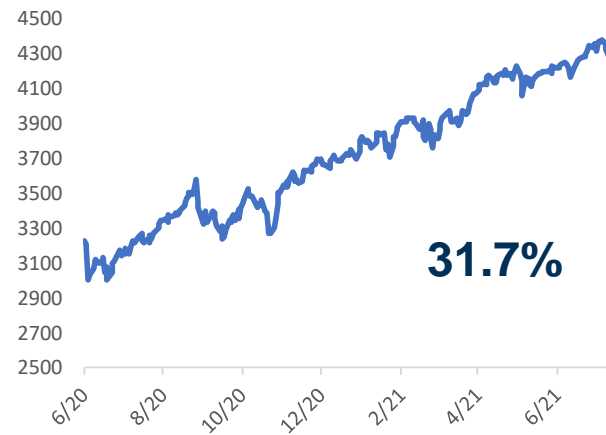


Lehman Bankruptcy (9/15/2008)

Sources: Capital Group: "Guide to Market Recoveries, 2023 edition"

# Scary Headlines Can Offer Investment Opportunities

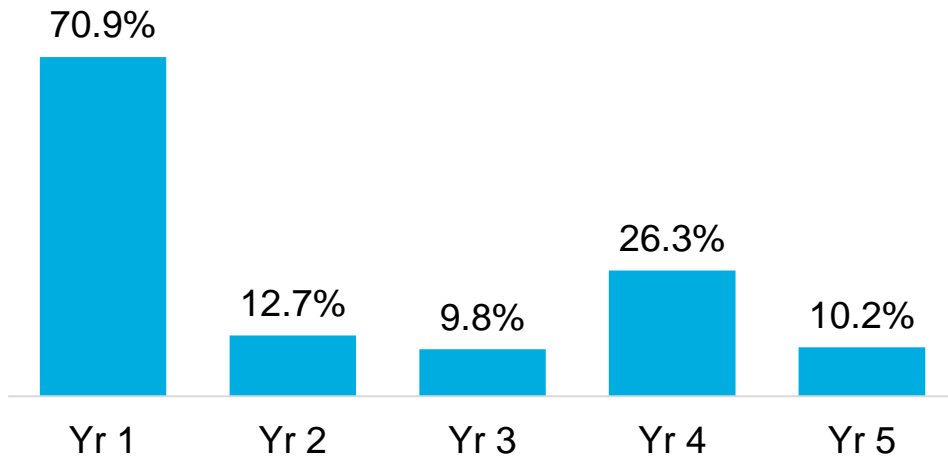
## US Equity Market Returns During Recessions



Source FactSet. US Equity Market represented by S&P 500.

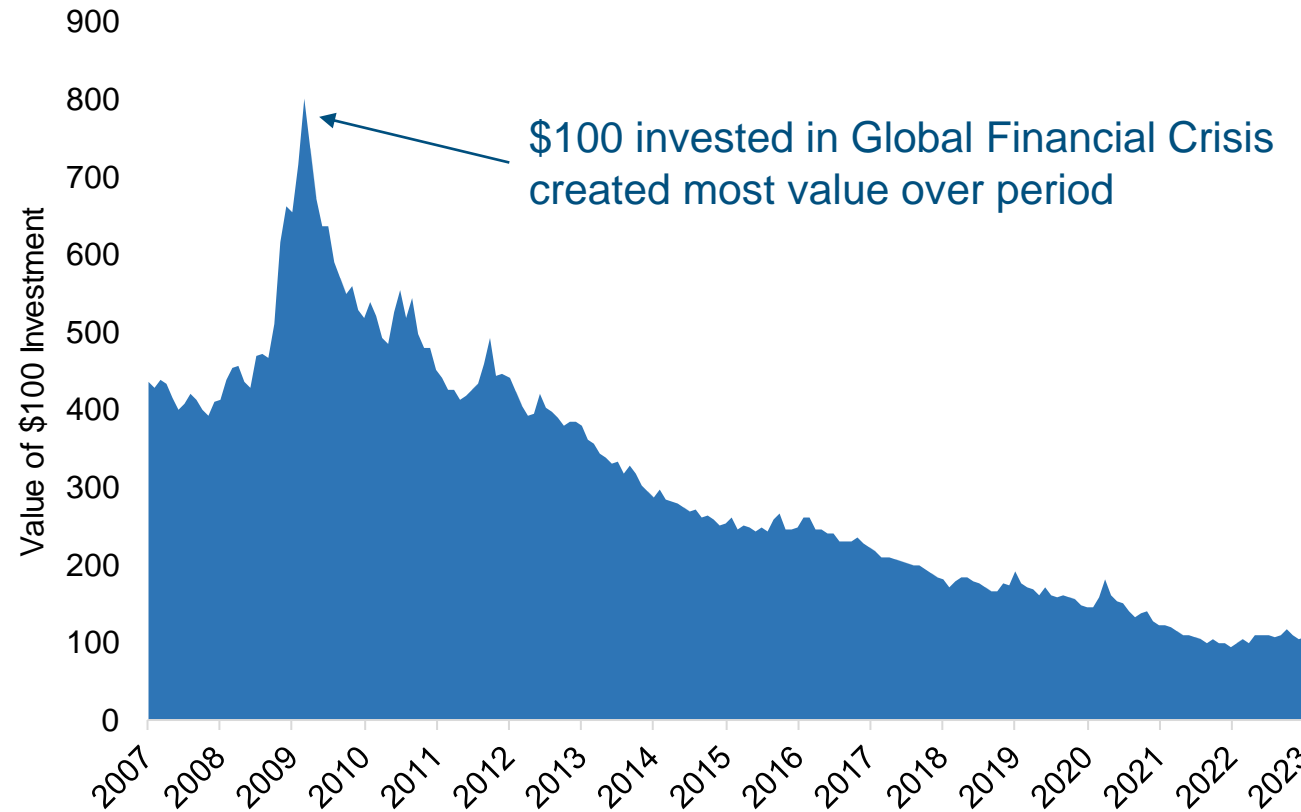
# Bear Markets Can Offer Investment Opportunities

## US Equity Market Returns Following Five Deepest Bear Markets (1929 – 2022)



Average annualized 5-year return: 23.1%

## Final Value of Each \$100 Monthly Investment in US Equities Starting in 2007



Source: Capital Group, "Guide to Market Recoveries, 2023 Edition", AssetMark, Zephyr Style Advisor. US Equity Market represented by S&P 500.

# What To Do?



Know your goals



Tune out the noise



Have a plan



Be disciplined



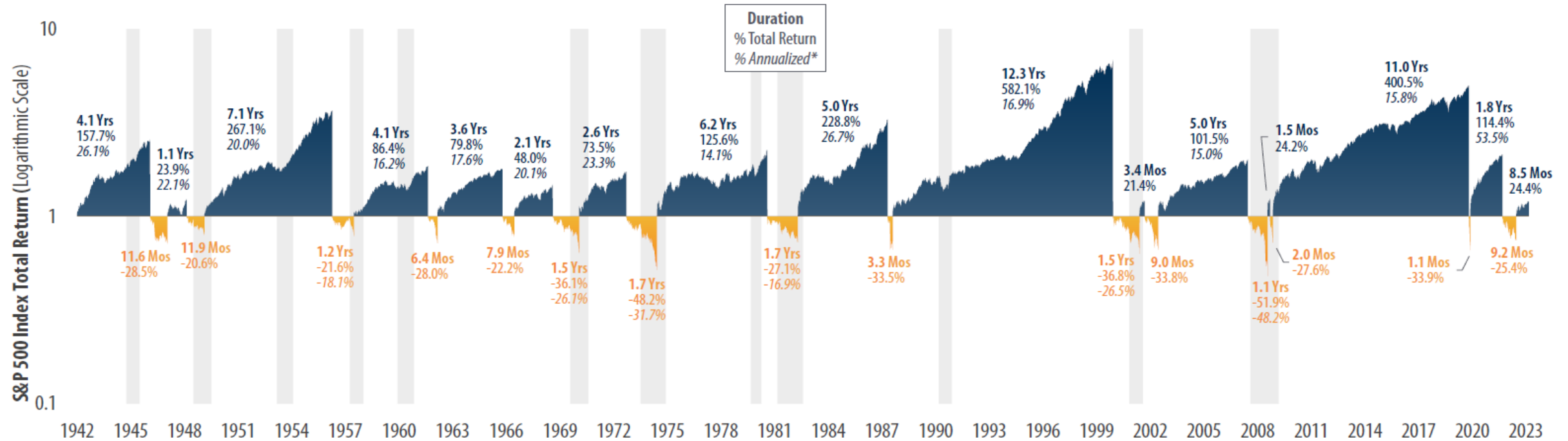
Have a long-term portfolio  
that adapts for the short-term

# Why Investing Is Not Simple

## Short-Term Focus

# Long-Term Averages Include the Ups and Downs

## US Equity Market – Bull and Bear Cycles (5/1942 – 6/2023)



Source: First Trust, "Client Resource Kit – Market Perspectives" US Equity Market represented by S&P 500.

# Emotions Can Lead to Investment Mistakes



Timing the Market



Negative Headlines  
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Negative Markets



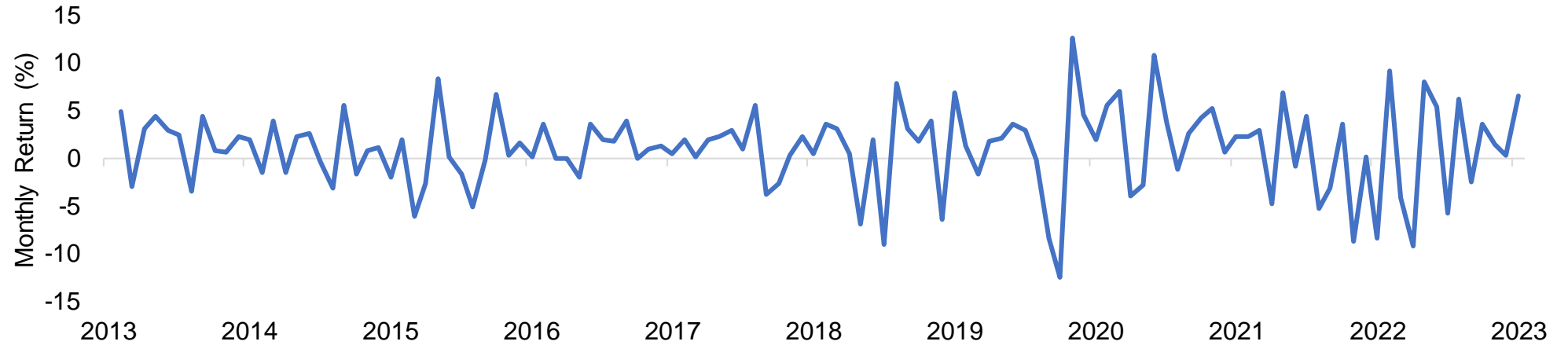
Short-Term Focus



# Short-Term Focus Loses Sight of Long-Term Goals

## US Equity Market Performance

Short-term  
monthly returns  
see volatility

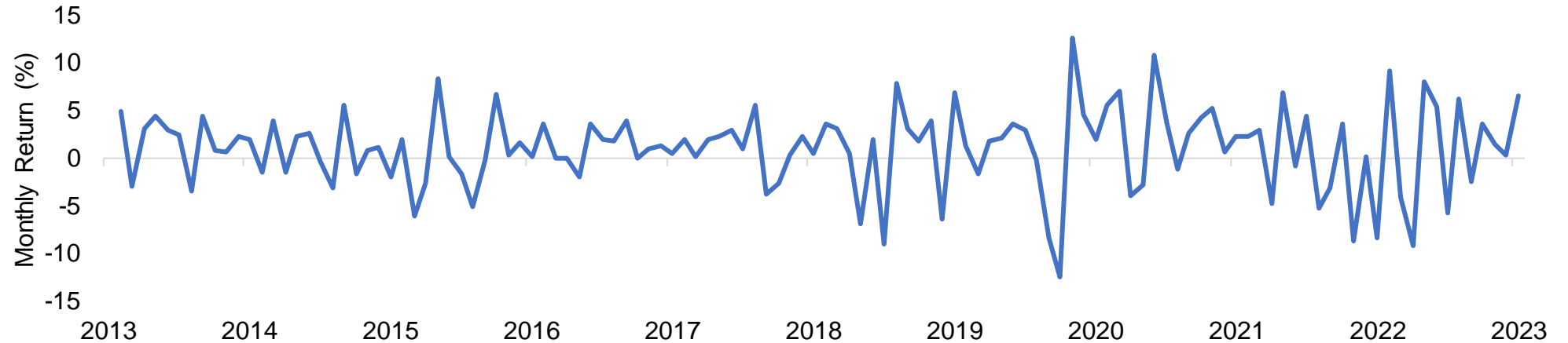


Source: AssetMark, Zephyr Style Advisor. US Equity Market represented by S&P 500.

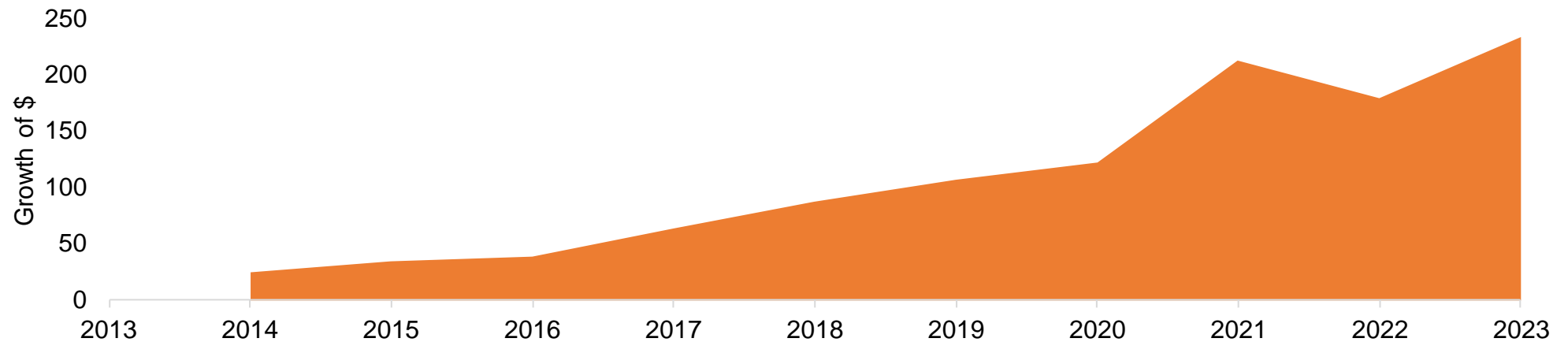
# Short-Term Focus Loses Sight of Long-Term Goals

## US Equity Market Performance

Short-term monthly returns see volatility



Longer-term annual returns see steadier growth



Source: AssetMark, Zephyr Style Advisor. US Equity Market represented by S&P 500.

# What To Do?



Know your goals



Tune out the noise



Have a plan



Be disciplined



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# Important Information

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106616 | C23-20527 | 10/2023 | EXP 10/31/2025