CORBETT ROAD
WEALTH MANAGEMENT

Q4 2024 MAP TO THE MARKETS

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Timely Updates and Studies

Corbett Road Wealth Management

Strong Markets Tend to Finish the Year Strong

S&P 500: Best Performance through First 202 Trading Days (1928 - 2024)				
Rank	Year	Price Return: First 202 Trading Days	Price Return: Day 203 to Year-End	Price Return: Full Calendar Year
1	1975	29.6%	1.0%	30.9%
2	1933	29.5%	11.3%	44.1%
3	1954	28.3%	12.3%	44.1%
4	1995	27.9%	4.8%	34.1%
5	1997	27.5%	2.8%	31.1%
6	1958	26.5%	8.6%	37.4%
7	1936	25.5%	2.5%	28.6%
8	1945	24.8%	4.7%	30.7%
9	1928	24.3%	10.9%	37.9%
10	1935	24.3%	13.7%	41.4%
11	1938	23.3%	1.0%	24.5%
12	1989	23.1%	3.4%	27.3%
13	2024	23.0%		
14	1980	22.5%	2.4%	25.4%
15	2013	22.3%	6.0%	29.6%
16	1943	21.2%	-1.4%	19.4%
17	2009	20.8%	2.2%	23.5%
18	2021	20.8%	5.1%	26.9%
19	1983	19.3%	-1.8%	17.2%
20	2019	19.1%	8.2%	28.9%
CREATIVE PLANNING		@CharlieBilello		(As of 10/18/24)

Source: Charlie Bilello

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5 Month Win Streaks Tend to Lead to Further Gains

Five Month Win Streaks Have Bulls Smiling

S&P 500 Returns After Five Month Win Streaks (1950 - Current)

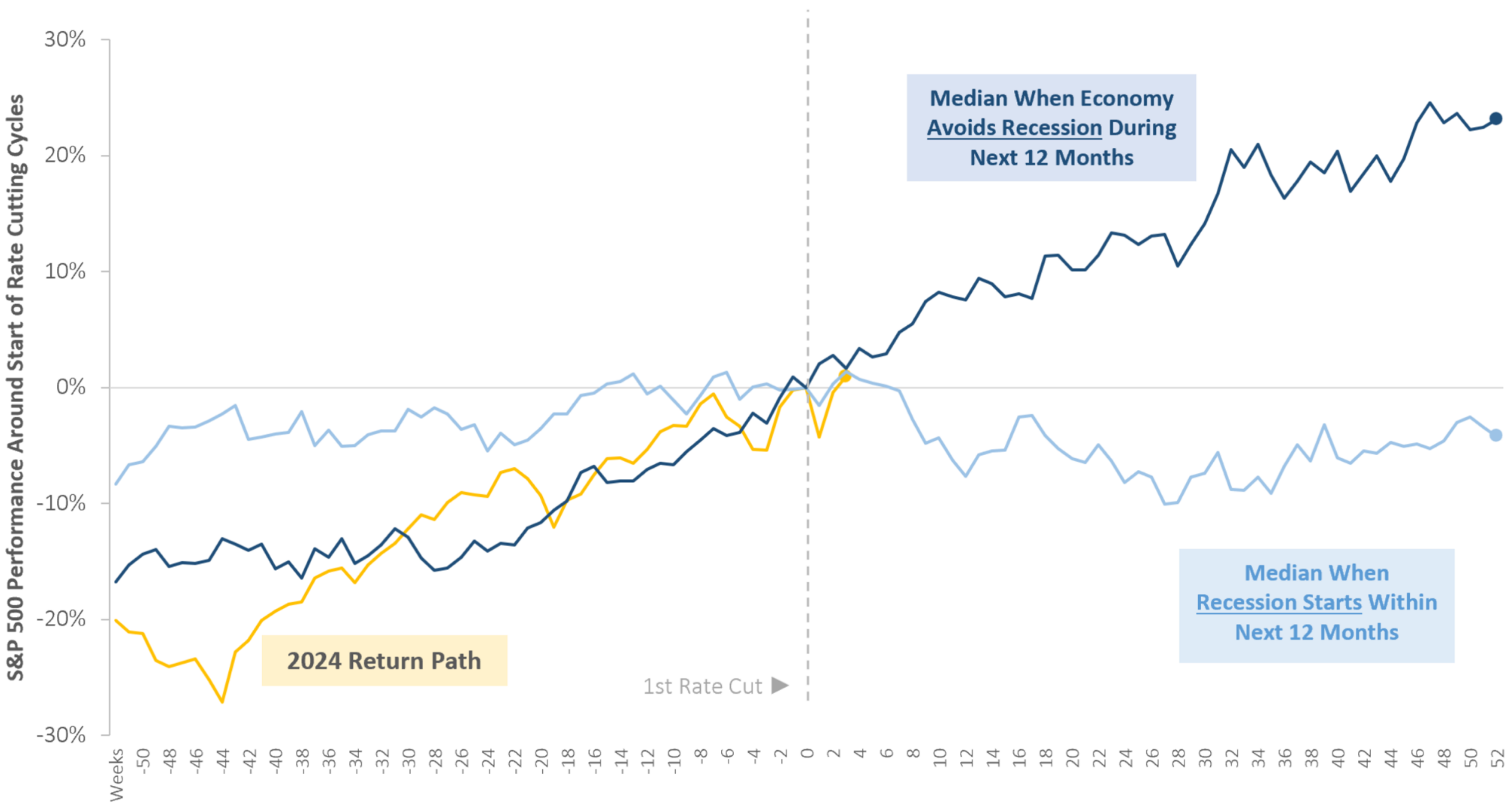
		S&P 500 Index Returns			
Date	Ultimate Win Streak	Next Month	Next 3 Months	Next 6 Months	Next Year
1/29/1954	11	0.3%	8.4%	18.4%	21.5%
7/31/1958	11	1.2%	8.8%	17.4%	22.0%
3/30/1961	7	0.4%	-0.6%	2.6%	10.0%
4/30/1964	8	1.1%	4.7%	6.8%	10.2%
3/31/1971	6	3.5%	-0.6%	-2.0%	1.6%
4/28/1972	6	1.6%	-0.3%	3.6%	7.8%
5/30/1975	6	4.4%	-4.7%	0.1%	9.4%
8/29/1980	8	2.5%	14.8%	7.3%	8.3%
12/31/1982	9	3.3%	8.8%	19.5%	18.1%
2/28/1986	6	5.3%	9.0%	11.5%	9.8%
3/28/1991	7	0.0%	-1.1%	3.4%	11.2%
1/29/1993	7	1.0%	0.3%	2.1%	6.6%
4/28/1995	8	3.6%	9.2%	13.0%	23.6%
3/29/1996	8	1.3%	3.9%	6.5%	14.8%
3/31/1998	6	0.9%	2.9%	-7.7%	11.6%
1/29/1999	5	-3.2%	4.3%	3.8%	6.5%
7/31/2003	6	1.8%	6.1%	14.2%	11.8%
2/27/2004	5	-1.6%	-2.1%	-3.6%	2.5%
12/31/2004	5	-2.5%	-2.6%	-1.7%	1.4%
10/31/2006	8	1.6%	4.4%	7.6%	5.6%
7/31/2009	7	3.4%	4.9%	8.7%	20.2%
3/28/2013	7	1.8%	2.4%	7.2%	17.8%
6/30/2014	5	-1.5%	0.6%	5.0%	5.5%
7/29/2016	5	-0.1%	-2.2%	4.8%	9.7%
8/31/2017	10	1.9%	7.1%	9.8%	9.5%
8/31/2018	6	0.4%	-4.9%	-4.0%	-5.2%
8/31/2020	5	-3.9%	3.5%	8.9%	20.1%
6/30/2021	7	2.3%	0.2%	10.9%	5.4%
7/31/2023	5	-1.8%	-8.6%	5.6%	9.7%
3/29/2024	5	-4.2%	3.9%	9.7%	?
9/30/2024	5*	?	?	?	?
	Average	0.8%	2.7%	6.3%	10.6%
	Median	1.2%	3.2%	6.6%	9.7%
	Higher	22	20	25	28
	Count	30	30	30	29
	% Higher	73.3%	66.7%	83.3%	96.6%

Source: Carson Investment Research, FactSet 10/02/2024
* Current win streak still active
@ryandetrick

CARSON

Source: Carson Group

Rate Cuts Historically Precede Market Gains



Source: Standard & Poor's, Federal Reserve. Previous rate cutting cycles include June 1989, July 1990, July 1995, September 1998, January 2001, September 2007, and July 2019. Based on S&P 500 price returns 52 weeks before and after the first rate cut of the cycle. Past performance does not guarantee future results. Latest available data as of 9/30/2024.

Source: Bloomberg

Returns from All-Time Highs Match Other Periods

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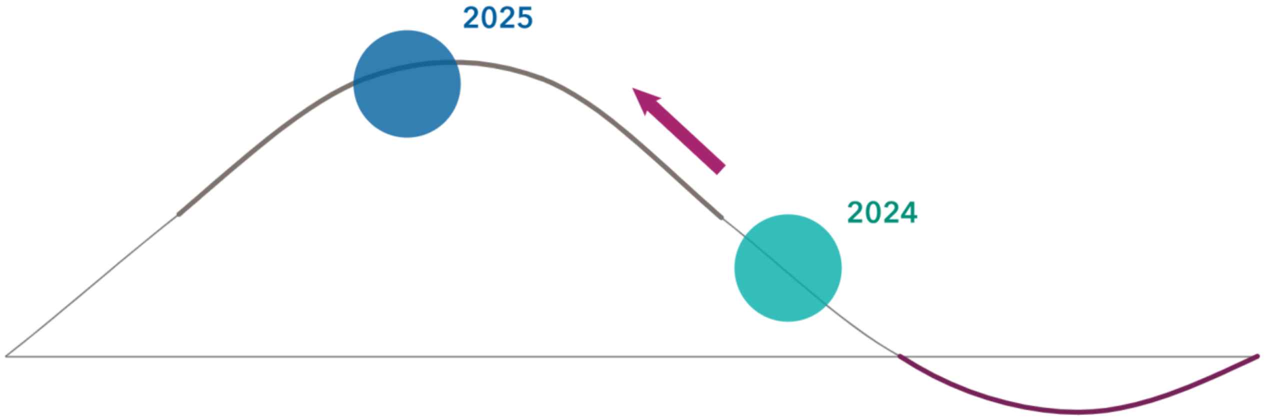
Source: DFA

A Soft Landing Implies the Economy is Likely Mid Cycle

U.S. economy goes back to the future

Tracking the U.S. economy



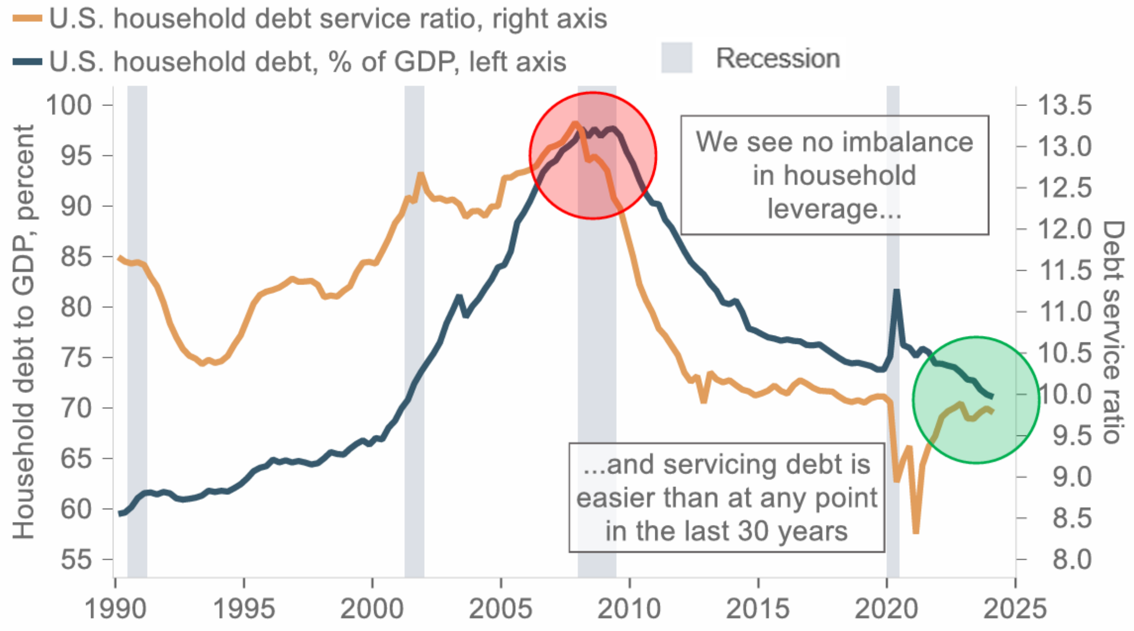
EARLY	MID	LATE	RECESSION
Economic activity accelerates	Profit margins peak	Labor markets tighten	Economic activity declines
Hours worked rise	Employment improves	Profit margins contract	Credit contracts
Central bank eases	Credit demand picks up	Central bank tightens	Unemployment rises

Source: Capital Group. Positions within the business cycle are forward-looking estimates by Capital Group economists as of December 2023 (2024 bubble) and September 2024 (2025 bubble). The views of individual portfolio managers and analysts may differ.

Source: Capital Group

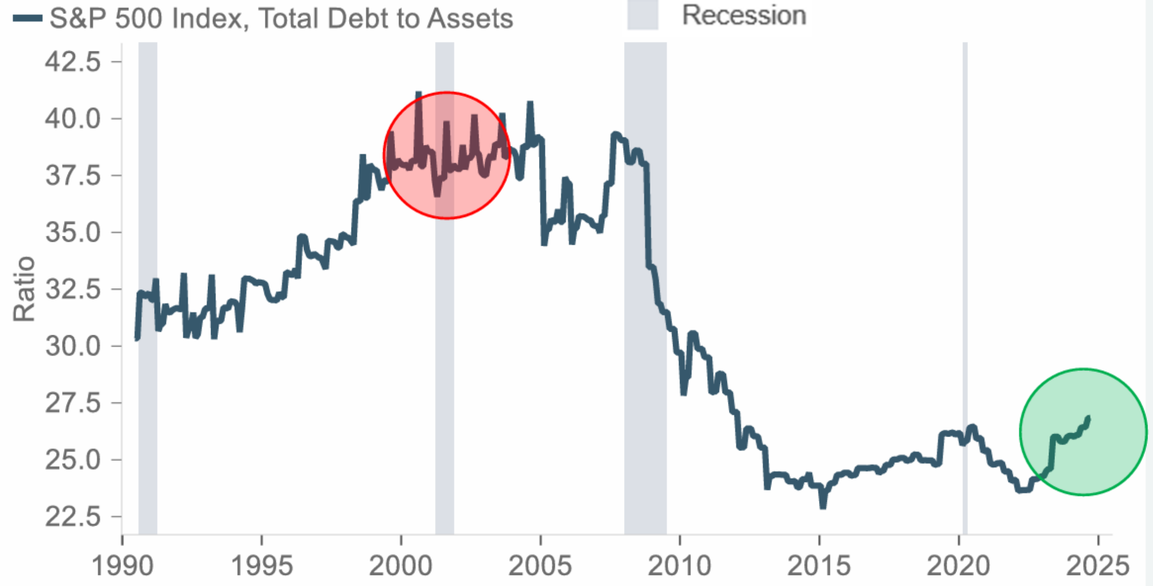
Both Corporate and Household Balance Sheets are in Excellent Shape

The household debt imbalance that preceded the GFC is nowhere to be found



Sources: New York Life Investments Global Market Strategy, Bloomberg Finance LP, Federal Reserve, Macrobond, October 2024.

We also see no structural debt imbalance amongst listed corporations



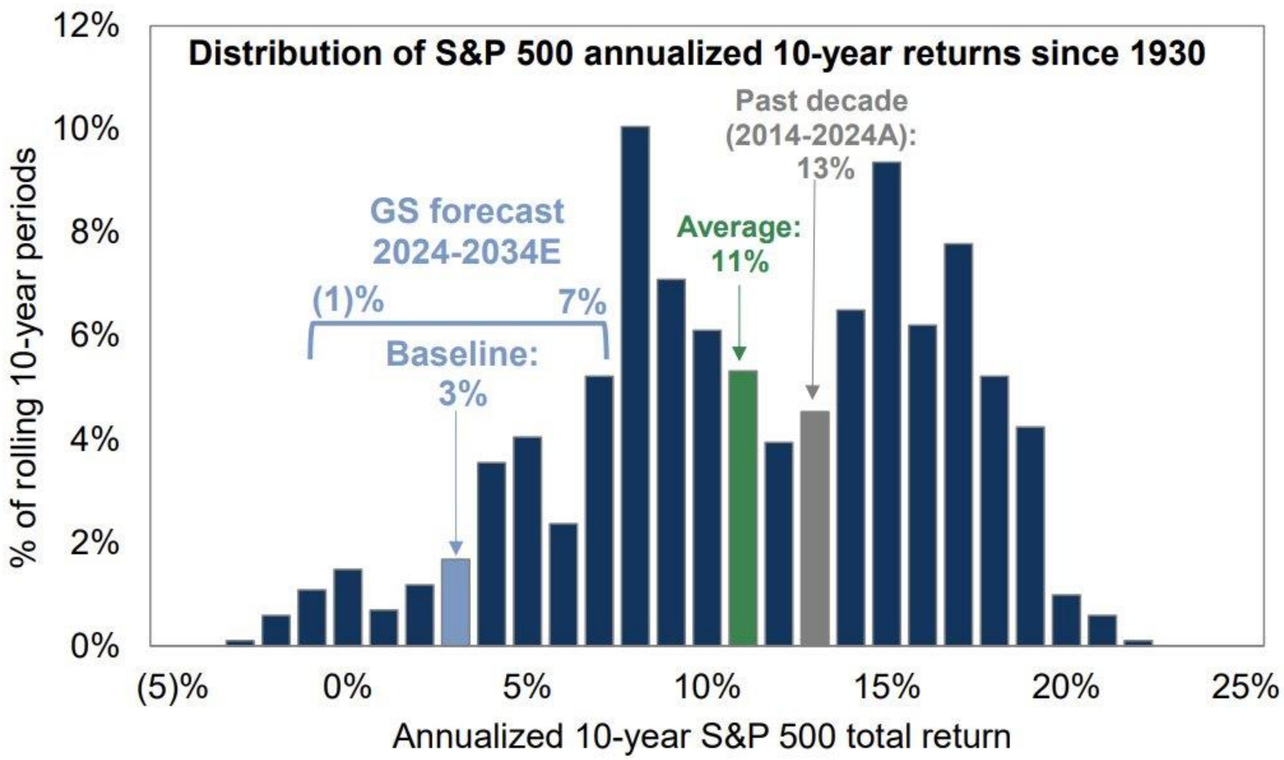
Sources: New York Life Investments Global Market Strategy, Bloomberg, Macrobond, October 2024. The S&P 500 Index is an unmanaged index that is widely regarded as the standard for measuring large-cap U.S. stock market performance. It is not possible to invest in an index. Past performance is not a guarantee of future results.

Source: New York Life

Valuation

Recently, Goldman Sachs Projected Only 3% Returns for the Next Decade

Exhibit 2: Distribution of S&P 500 annualized 10-year total returns, 1930-2024



Source: Robert Shiller, Goldman Sachs Global Investment Research

Source: Goldman Sachs

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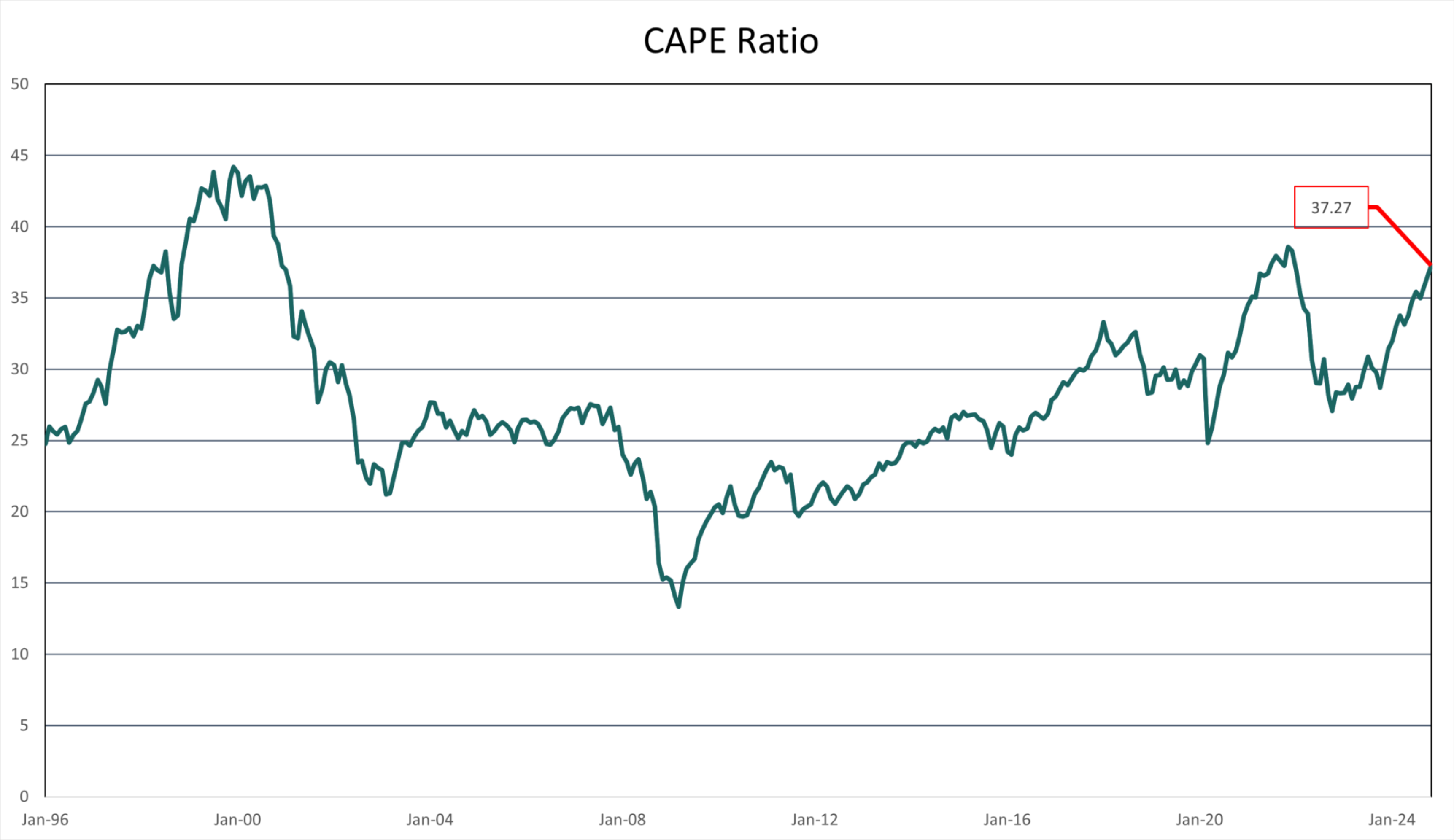
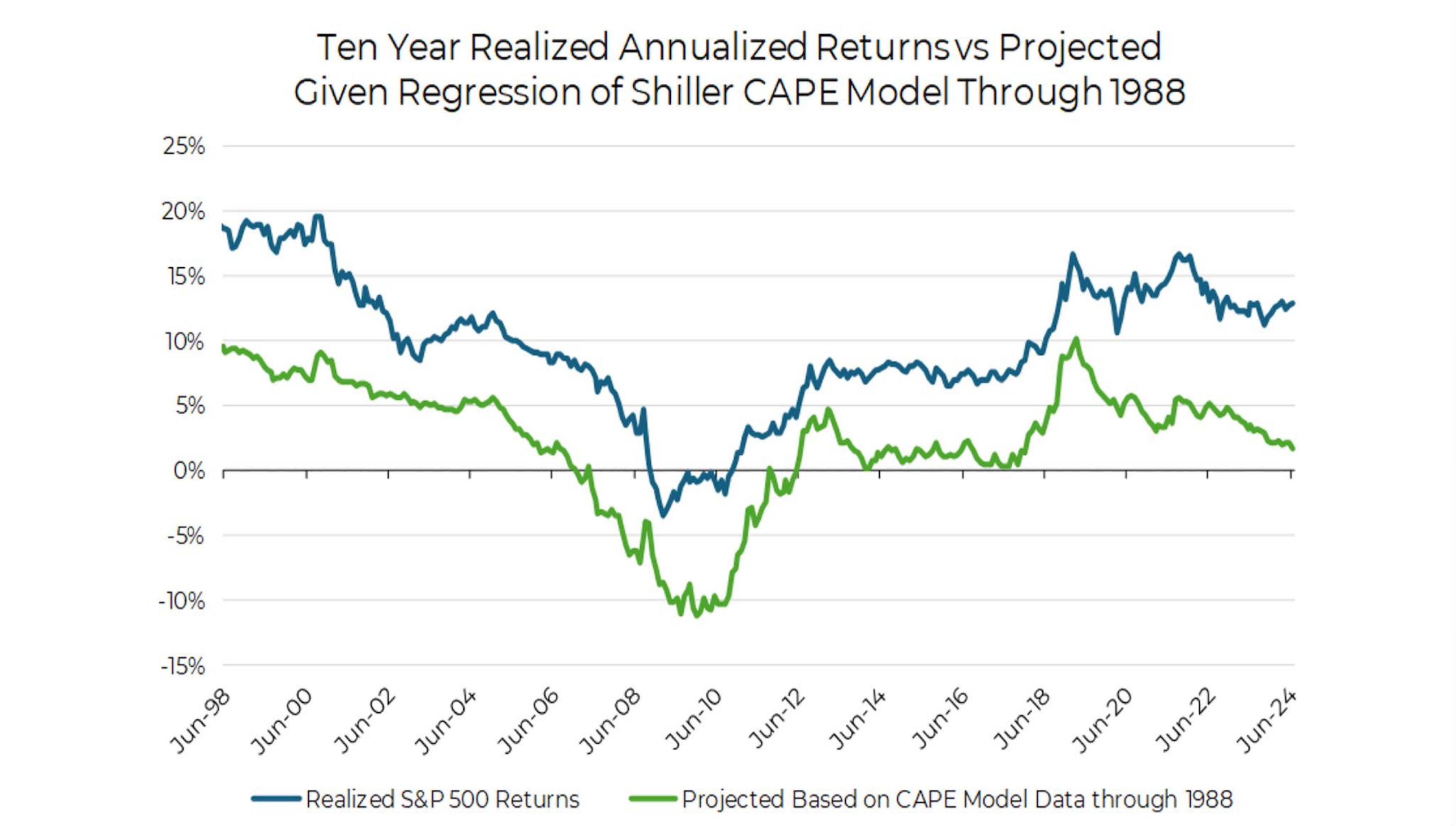
CAPE (Shiller P/E) Ratio – Where We are Today



Source: Corbett Road via Multpl

But the Shiller Ratio Has Done a Poor Job of Predicting Future Returns



Source: Aptus Capital via Yale.EDU

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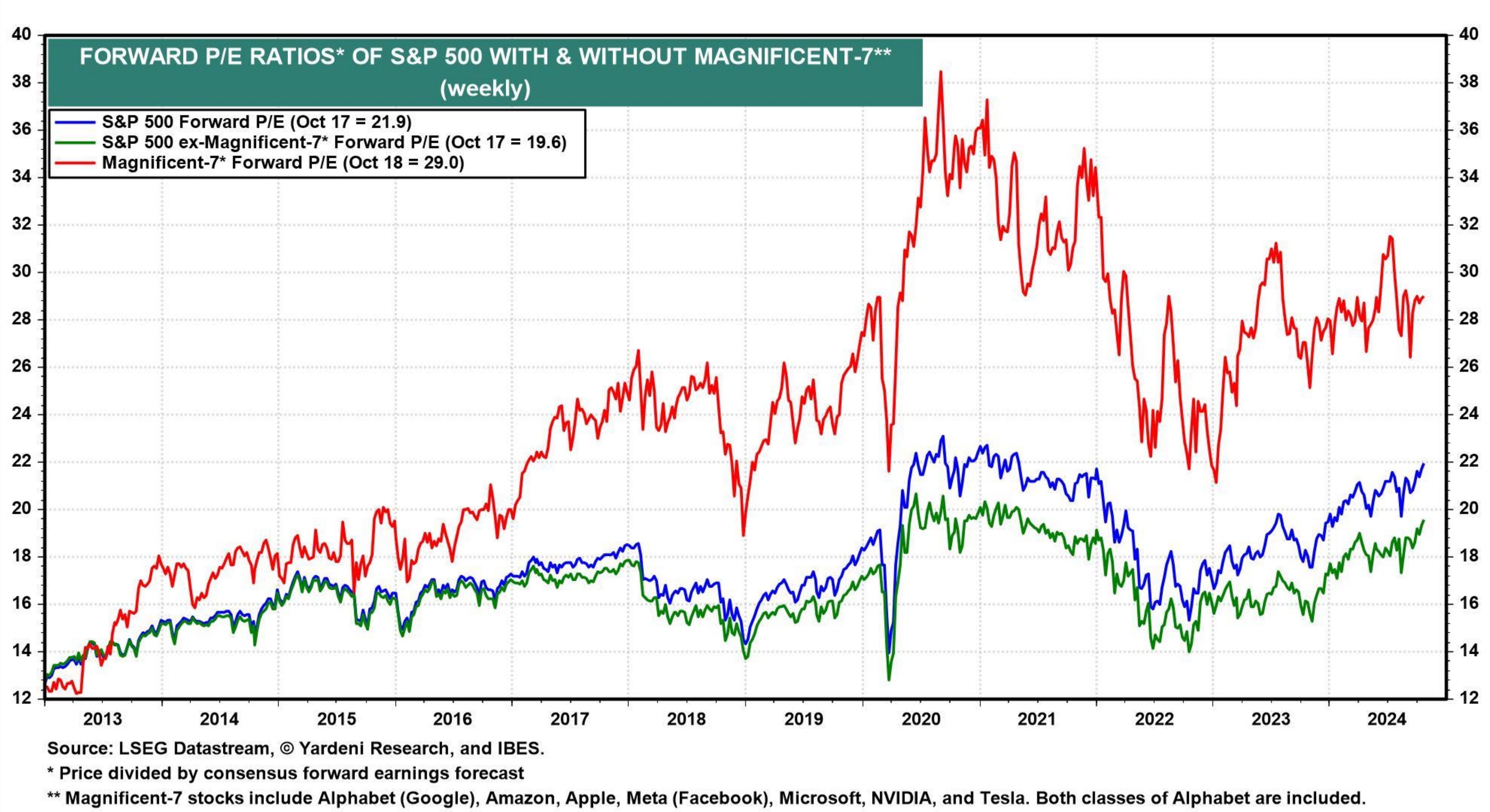
Optically High Valuations

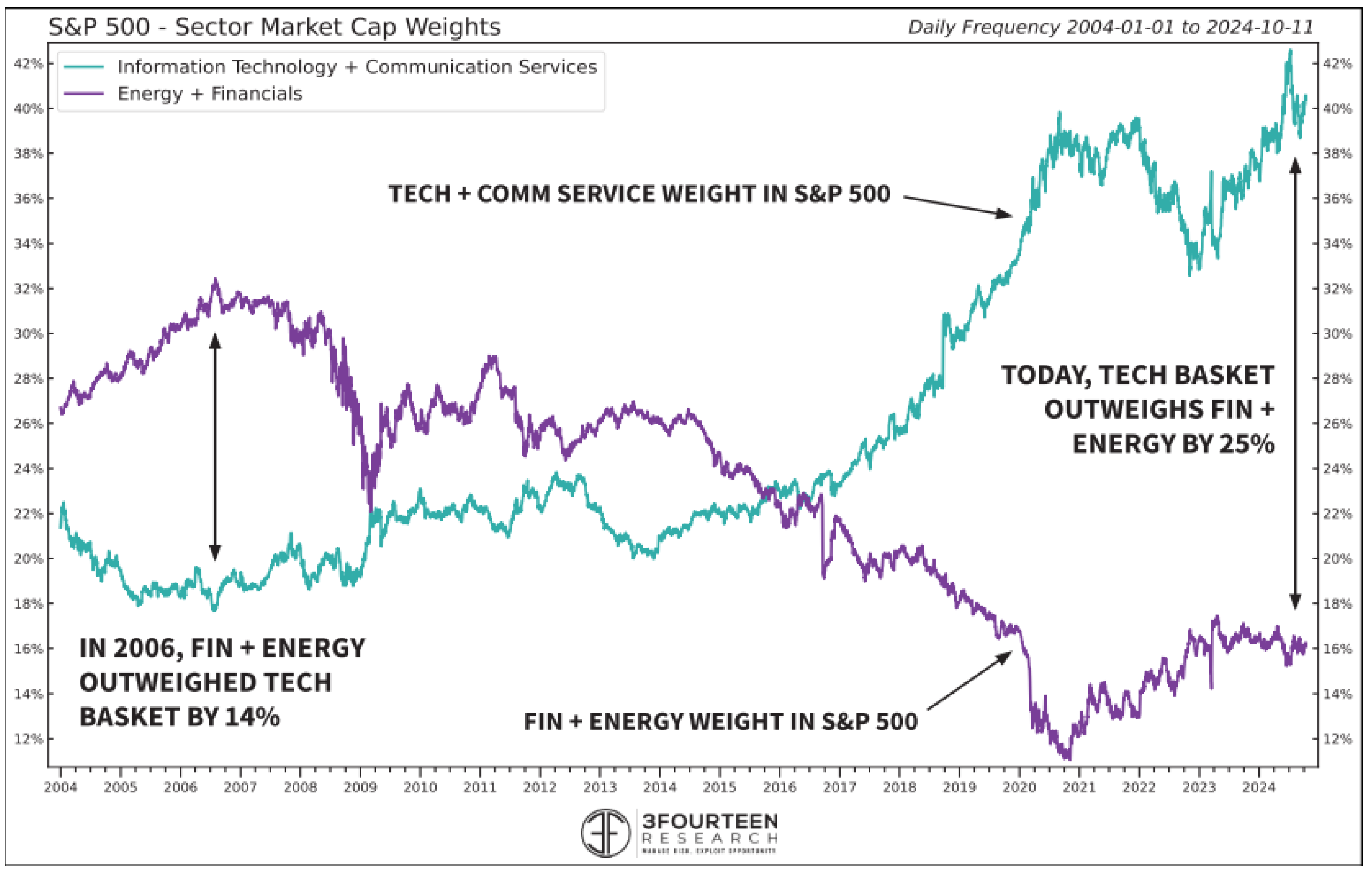


Source: Yardeni

Structural Factors Explaining High Valuations

Index Composition

% of Higher Growth, Higher Quality Tech ↑ = P/Es ↑

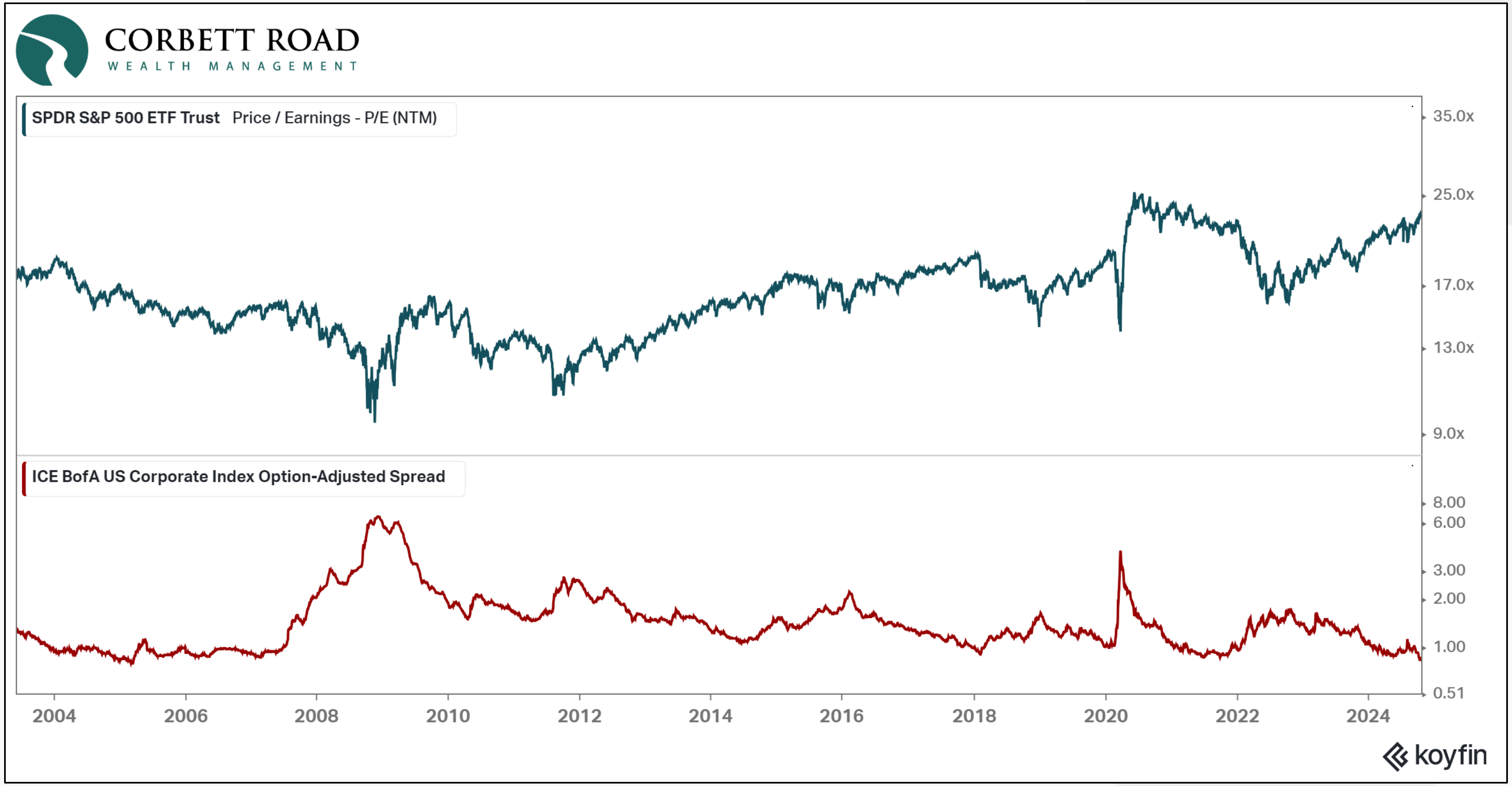


Source: 3Fourteen Research

Structural Factors Explaining High Valuations (Continued)

Low Credit Spreads

Credit Risk ↓ = P/Es ↑



Source: Koyfin

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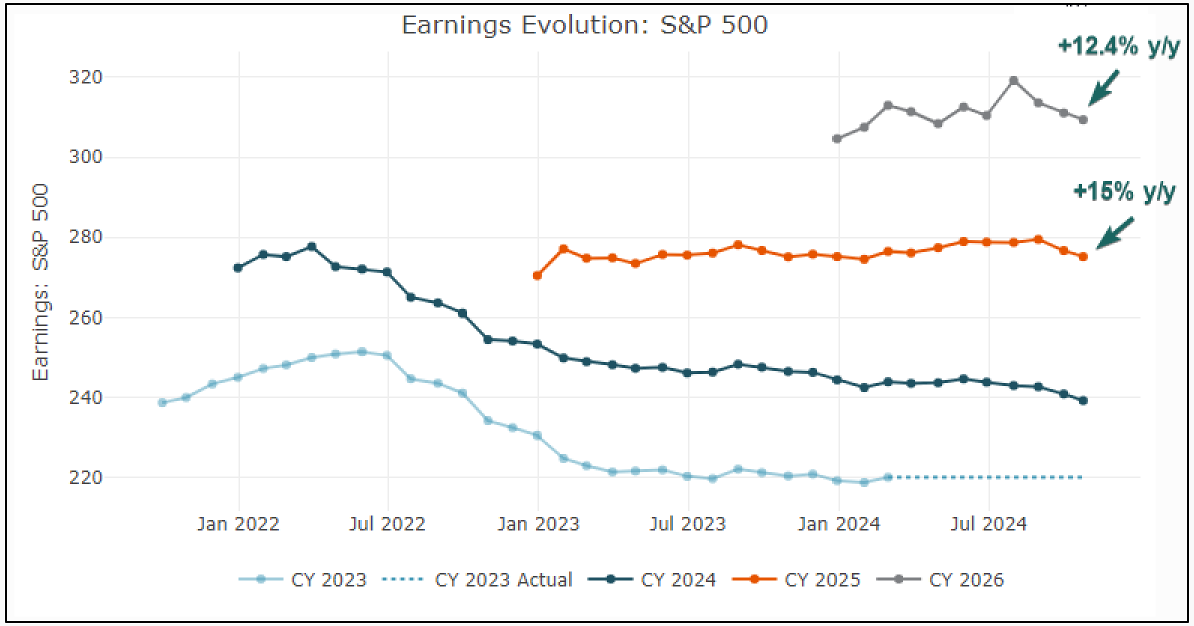
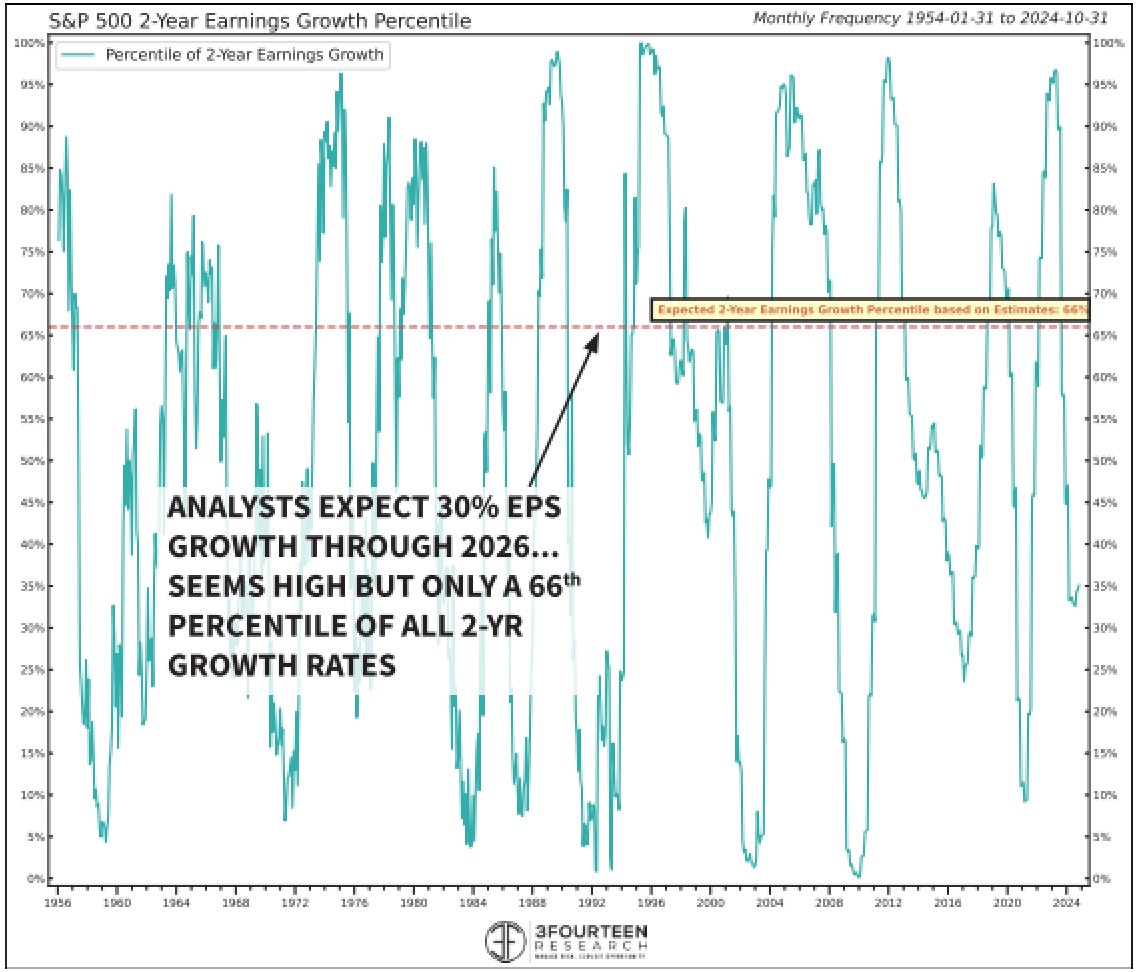
Assessing the Earnings Growth Outlook

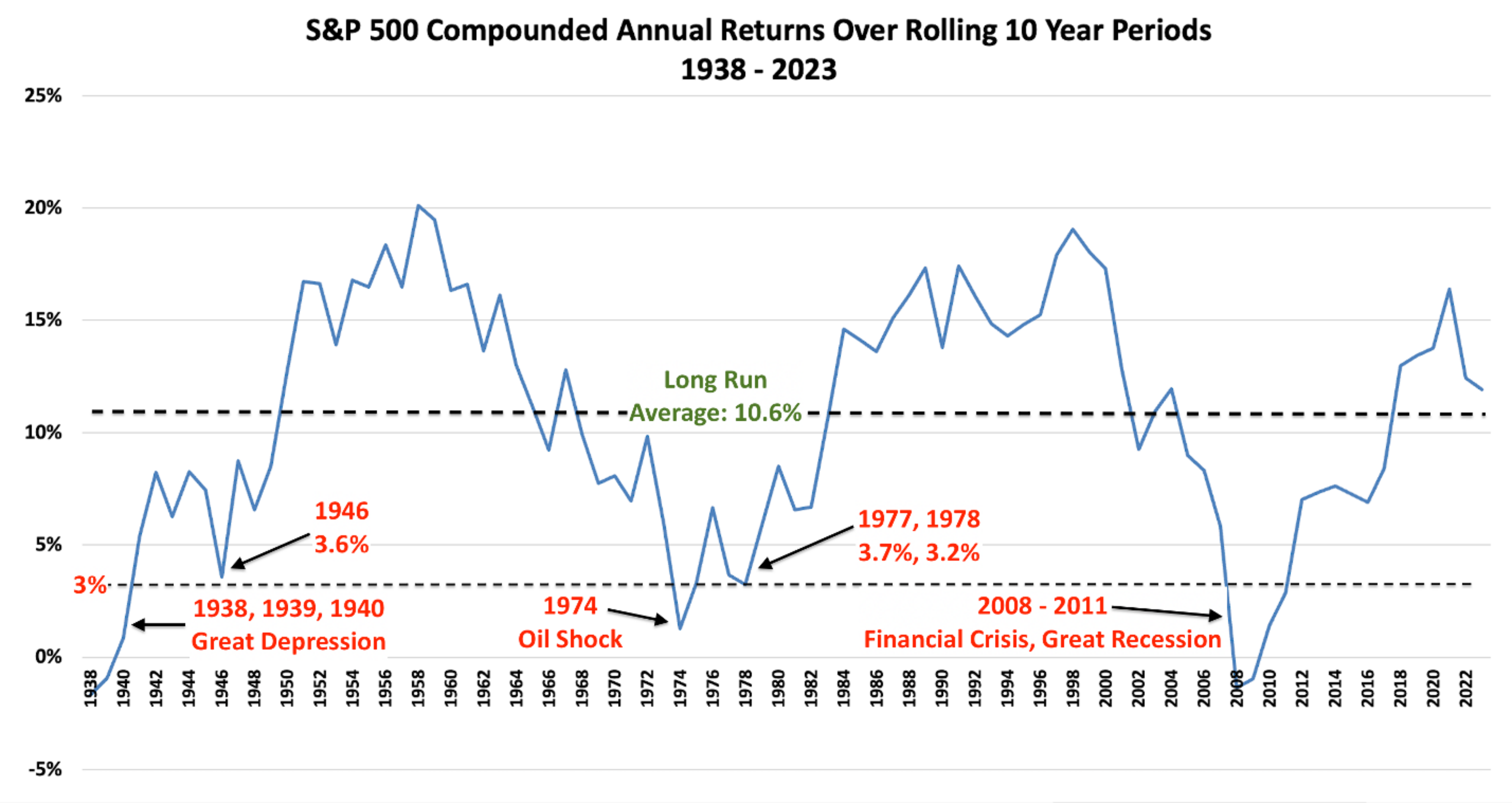
- Currently, analysts expect S&P 500 earnings to grow at a double-digit pace in 2025 / 2026, increasing by nearly ~30% over the next two years.
- While these estimates may appear aggressive on the surface, adding historical context to the growth rate shows that the forecast is actually only in the 66th percentile of all 2-year growth rates.





Source: Piper Sandler (left); 3Fourteen Research (right)

Negative 10-Year Returns are Rare, but When They Do Happen, It's Usually Because of a Significant Crisis.

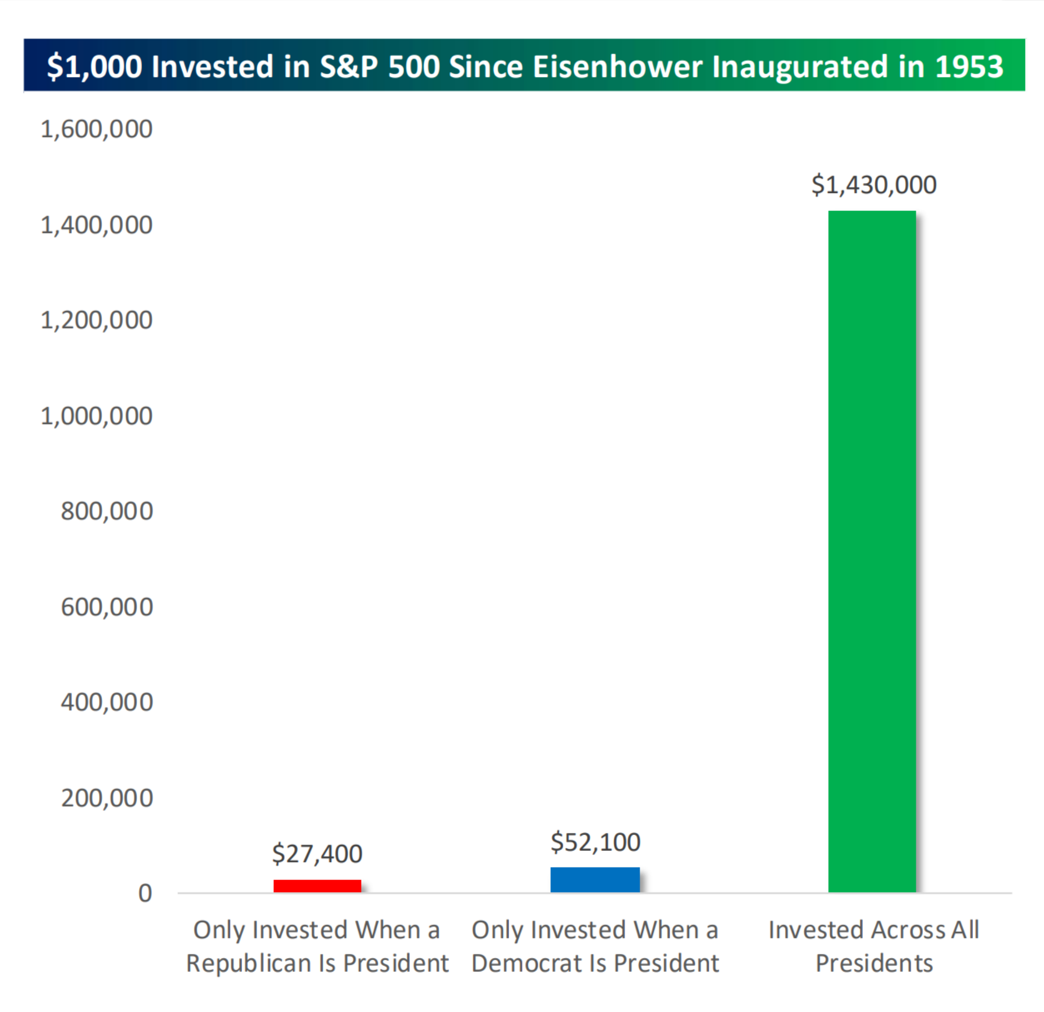


Source: DataTrek Research

Elections vs Markets

Source: LPL Financial

The Market Performs Better in Democratic AND Republican Administrations

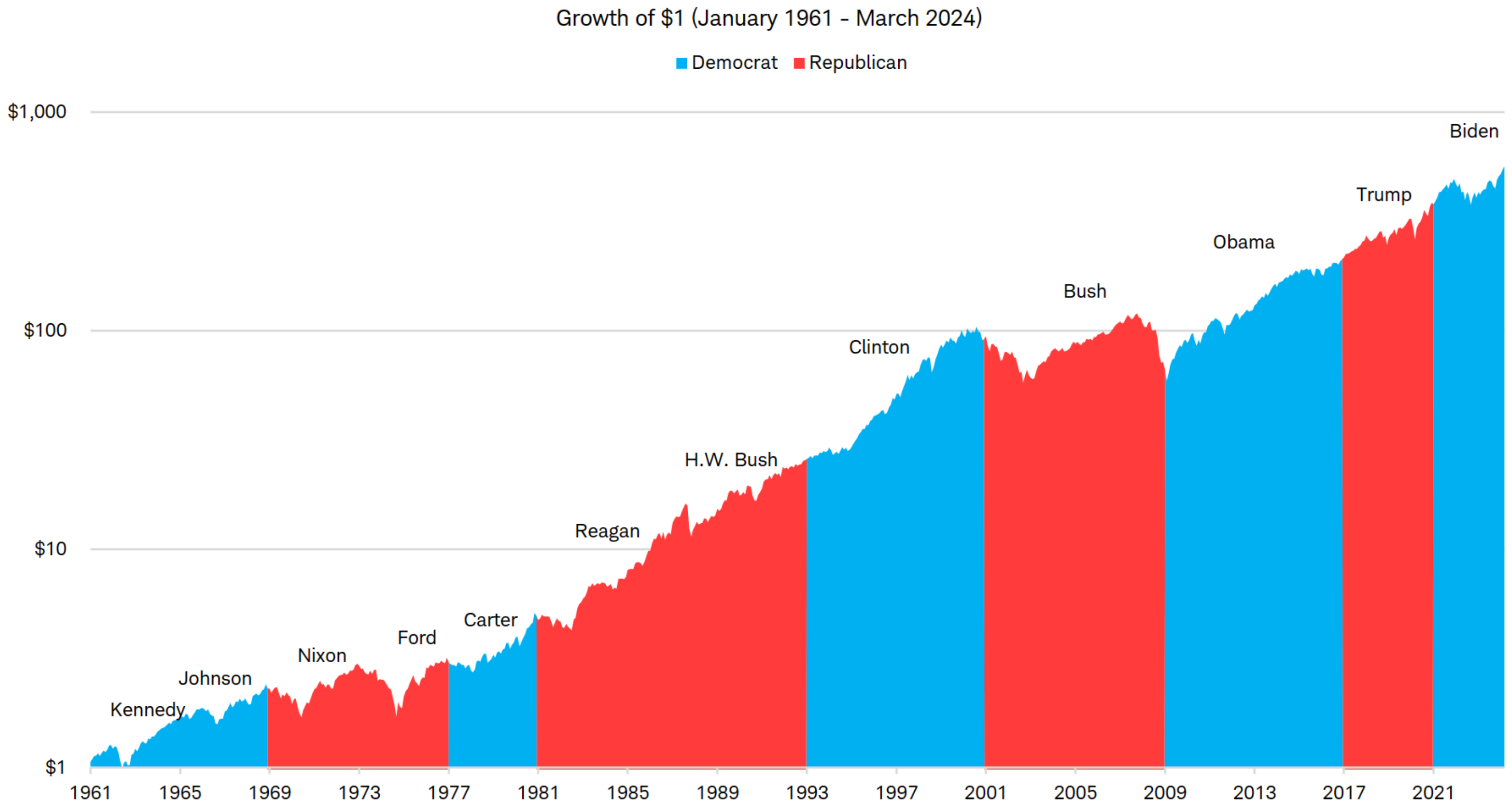


Source: Charles Schwab

Presidential Party vs US Stocks

Politics versus sound investment principles

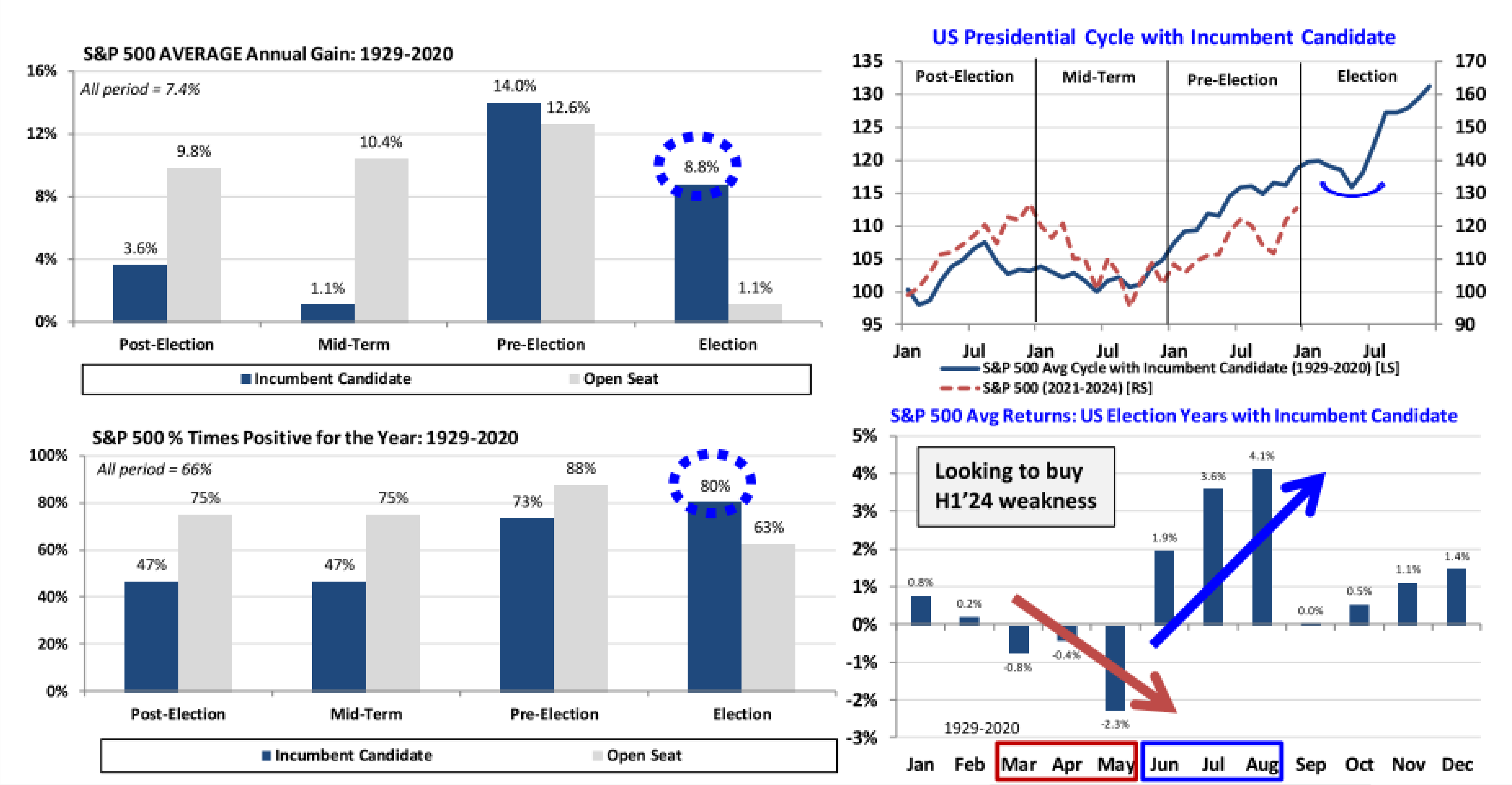
Investors are likely to be hyper focused on all the noise of the upcoming presidential election, but historically, markets have rewarded long-term investors regardless of the presidential party.



Source: Schwab Center for Financial Research, with data provided by Morningstar, Inc. The chart above shows the growth of $1 invested in a hypothetical portfolio that tracks the Ibbotson U.S. Large Stock Index starting on January 1, 1961. January returns in inauguration years are assumed to be under the party that is being inaugurated. Returns include investment of dividends and interest. For illustrative purposes only. The policy analysis provided by the Charles Schwab & Co., Inc. does not constitute and should not be interpreted as an endorsement of any political party. Indexes are unmanaged, do not incur management fees, costs, and expenses, and cannot be invested in directly. Investing involves risk, including loss of principal. **Past performance is no guarantee of future results.**

Source: Charles Schwab

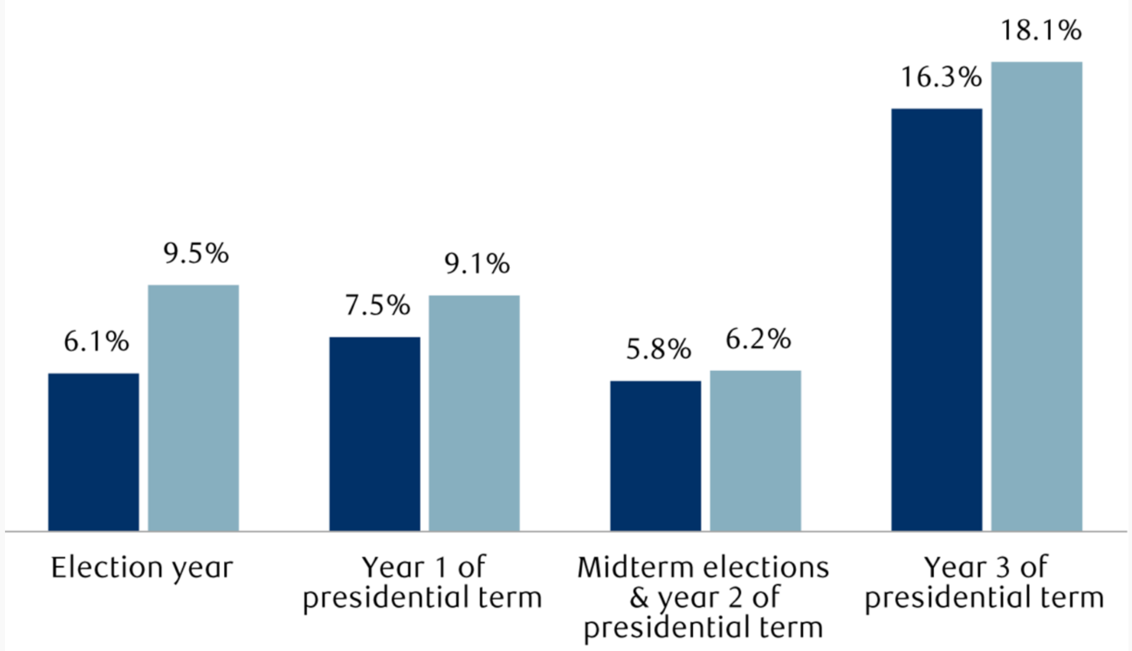
Market Performance During the Presidential Cycle



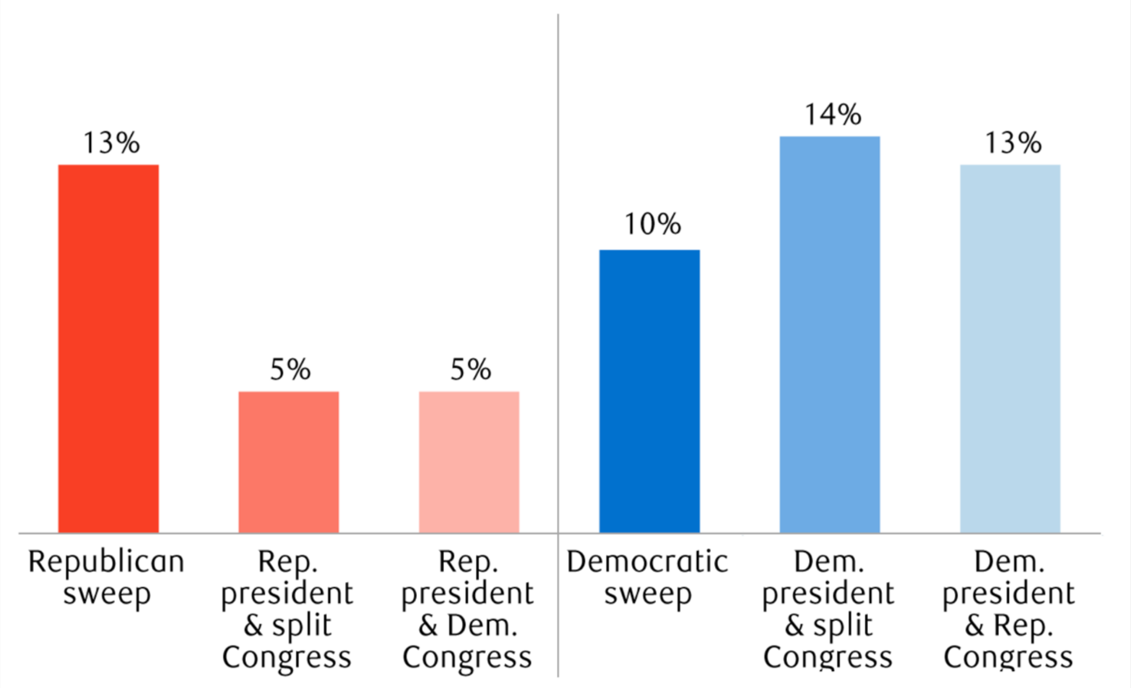
Source: Oppenheimer

Election Cycles & Government Composition

S&P 500 Performance During Election Cycles (Since 1932)



Average Annual S&P 500 Returns by Government Makeup (Since 1932)



Source: RBC

Market Performance & Asset Class Returns

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Historical Asset Class Returns

Asset Class Returns

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD
EM 79.0%	REIT 28.0%	REIT 8.3%	REIT 19.7%	Sm Cap 38.8%	REIT 28.0%	REIT 2.8%	Sm Cap 21.3%	EM 37.8%	Cash 1.8%	Lg Cap 31.5%	Sm Cap 20.0%	REIT 41.3%	Cash 1.6%	Lg Cap 26.3%	Lg Cap 22.1%
HY Bnd 57.5%	Sm Cap 26.9%	HG Bnd 7.8%	EM 18.6%	Lg Cap 32.4%	Lg Cap 13.7%	Lg Cap 1.4%	HY Bnd 17.5%	Int'l 25.6%	HG Bnd 0.0%	REIT 28.7%	EM 18.7%	Lg Cap 28.7%	HY Bnd -11.2%	Int'l 18.9%	EM 17.2%
Int'l Stk 32.5%	EM 19.2%	HY Bnd 4.4%	Int'l Stk 17.9%	Int'l Stk 23.3%	AA 6.9%	HG Bnd 0.6%	Lg Cap 12.0%	Lg Cap 21.8%	HY Bnd -2.3%	Sm Cap 25.5%	Lg Cap 18.4%	Sm Cap 14.8%	HG Bnd -13.0%	Sm Cap 16.9%	REIT 14.2%
REIT 28.0%	HY Bnd 15.2%	Lg Cap 2.1%	Sm Cap 16.4%	AA 11.5%	HG Bnd 6.0%	Cash 0.0%	EM 11.6%	Sm Cap 14.7%	REIT -4.0%	Int'l Stk 22.7%	AA 9.8%	Int'l Stk 11.8%	Int'l Stk -14.0%	HY Bnd 13.5%	Int'l Stk 13.5%
Sm Cap 27.2%	Lg Cap 15.1%	AA 0.3%	Lg Cap 16.0%	HY Bnd 7.4%	Sm Cap 4.9%	Int'l Stk -0.4%	REIT 8.6%	AA 14.6%	Lg Cap -4.4%	AA 18.9%	Int'l Stk 8.3%	AA 10.9%	AA -16.5%	AA 12.8%	AA 11.4%
Lg Cap 26.5%	AA 13.5%	Cash 0.1%	HY Bnd 15.6%	REIT 2.9%	HY Bnd 2.5%	AA -1.3%	AA 7.2%	REIT 8.7%	AA -5.6%	EM 18.9%	HY Bnd 7.5%	HY Bnd 5.4%	Lg Cap -18.1%	REIT 11.4%	Sm Cap 11.2%
AA 24.6%	Int'l Stk 8.2%	Sm Cap -4.2%	AA 12.2%	Cash 0.1%	Cash 0.0%	Sm Cap -4.4%	HG Bnd 2.7%	HY Bnd 7.5%	Sm Cap -11.0%	HY Bnd 14.4%	HG Bnd 6.1%	Cash 0.0%	EM -19.7%	EM 10.3%	Hy Bnd 8.0%
HG Bnd 5.9%	HG Bnd 6.5%	Int'l Stk -11.7%	HG Bnd 4.2%	HG Bnd -2.0%	EM -1.8%	HY Bnd -4.6%	Int'l Stk 1.5%	HG Bnd 3.5%	Int'l Stk -13.4%	HG Bnd 8.7%	Cash 0.6%	HG Bnd -1.5%	Sm Cap -20.4%	HG Bnd 5.5%	HG Bnd 4.5%
Cash 0.1%	Cash 0.1%	EM -18.2%	Cash 0.1%	EM -2.3%	Int'l Stk -4.5%	EM -14.6%	Cash 0.3%	Cash 0.8%	EM -14.3%	Cash 2.2%	REIT -5.1%	EM -2.2%	REIT -25.0%	Cash 5.1%	Cash 4.1%

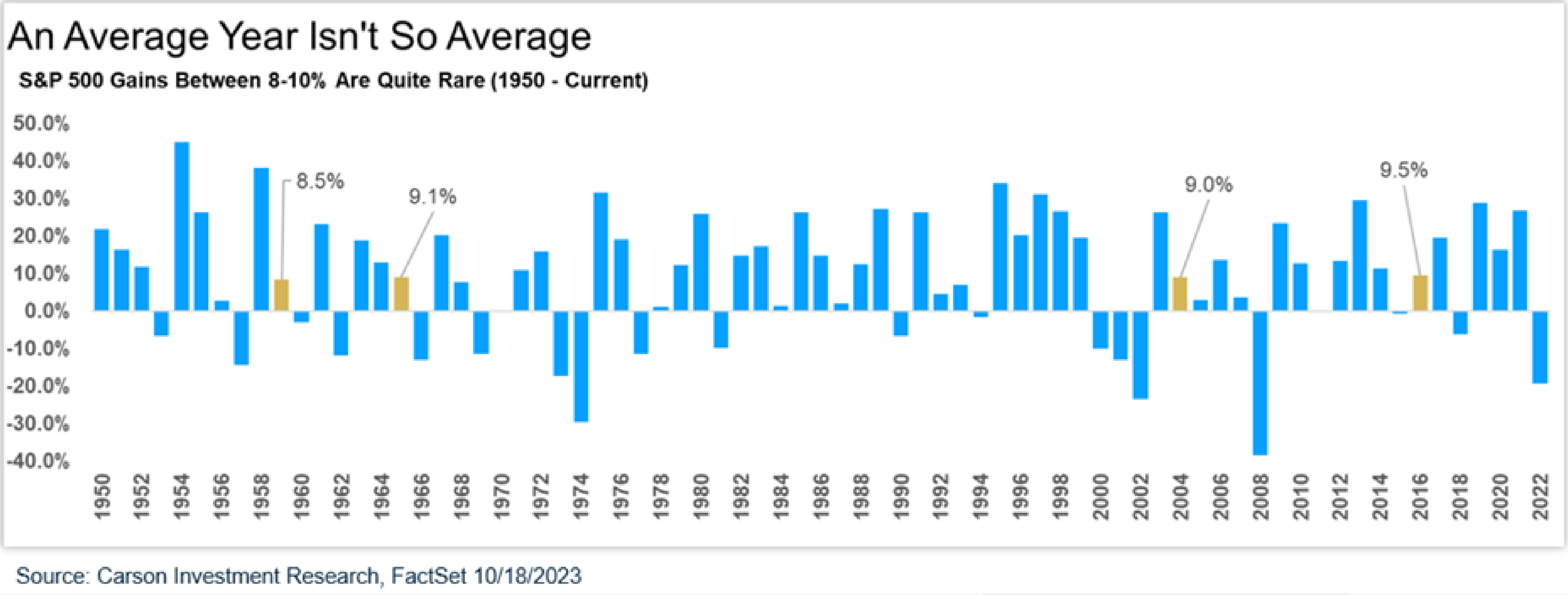
Abbr.	Asset Class – Index	Annual	Best	Worst
Lg Cap	Large Cap Stocks – S&P 500 Index	13.97%	32.4%	-18.1%
Sm Cap	Small Cap Stocks – Russell 2000 Index	11.30%	38.8%	-20.4%
Int'l Stk	International Developed Stocks – MSCI EAFE Index	7.44%	32.5%	-14.0%
EM	EM Stocks – MSCI Emerging Markets Index	6.93%	79.0%	-19.7%
REIT	REITs – FTSE NAREIT All Equity Index	10.86%	41.3%	-25.0%
HG Bnd	High Grade Bonds – Bloomberg Barclays U.S. Agg Index	2.59%	8.7%	-13.0%
HY Bnd	High Yield Bonds – ICE BofA US High Yield Index	9.12%	57.5%	-11.2%
Cash	Cash – S&P U.S. Treasury Bill 0-3 Mth Index	0.85%	5.1%	0.0%
AA	Asset Allocation Portfolio*	7.51%	24.6%	-16.5%

Past performance does not guarantee future returns. The historical performance shows changes in market trends across several asset classes over the past fifteen years. Returns represent total annual returns (reinvestment of all distributions) and does not include fees and expenses. The investments you choose should reflect your financial goals and risk tolerance. For assistance, talk to a financial professional. All data are as of 9/30/24.

*Asset Allocation Portfolio is 15% large cap stocks, 15% international stocks, 10% small cap stocks, 10% emerging market stocks, 10% REITs, 40% high-grade bonds, and annual rebalancing.

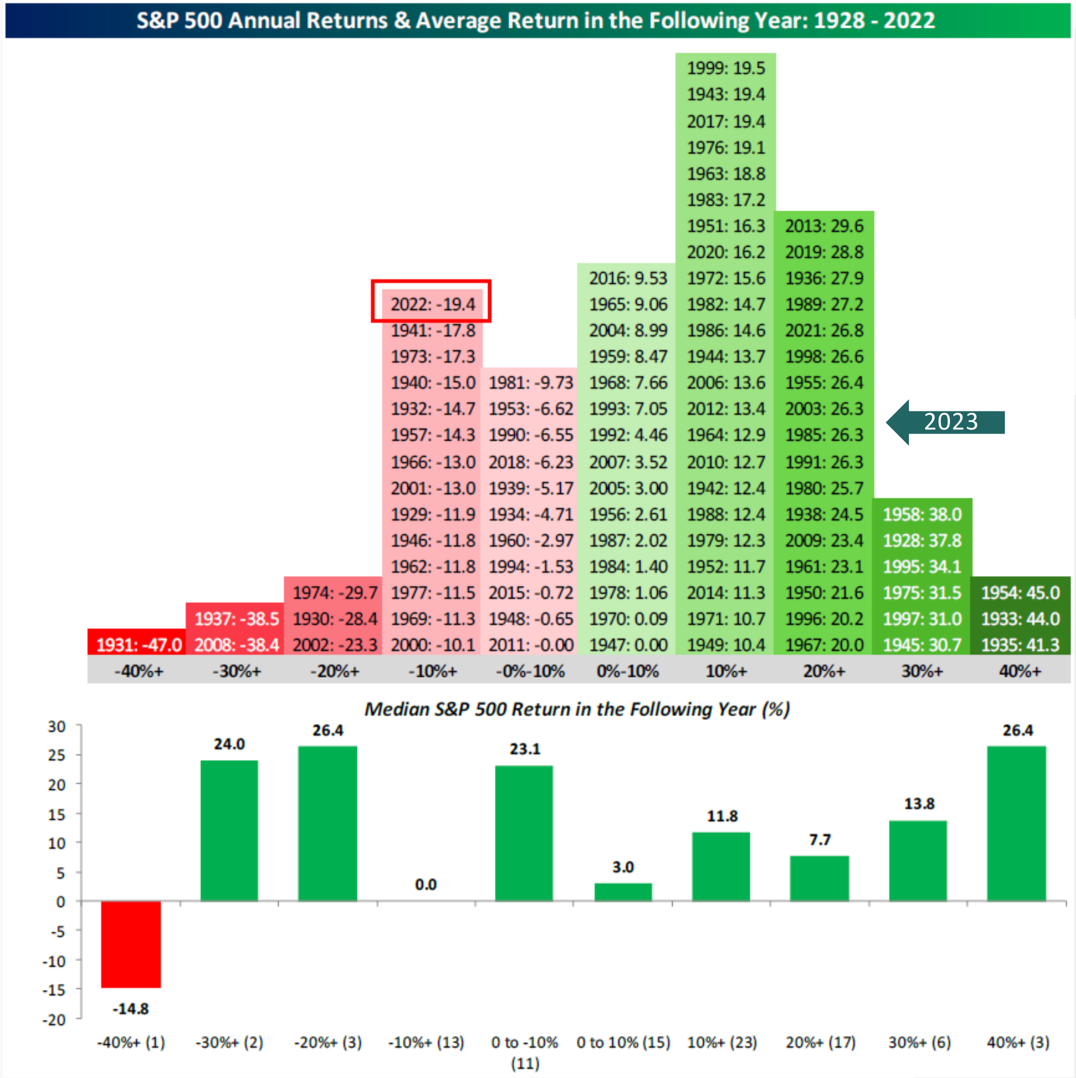
Source: Novel Investor

The Market Rarely Sees Average Returns in a Calendar Year



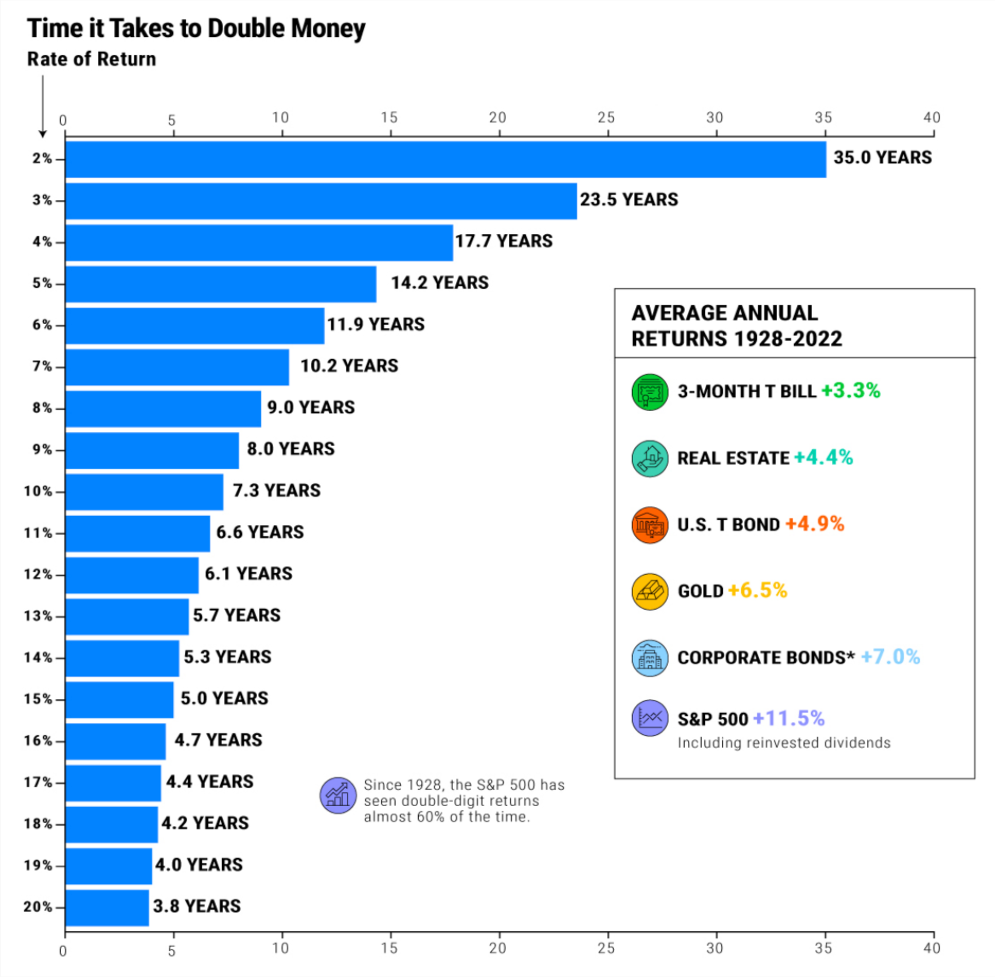
Source: Carson Group

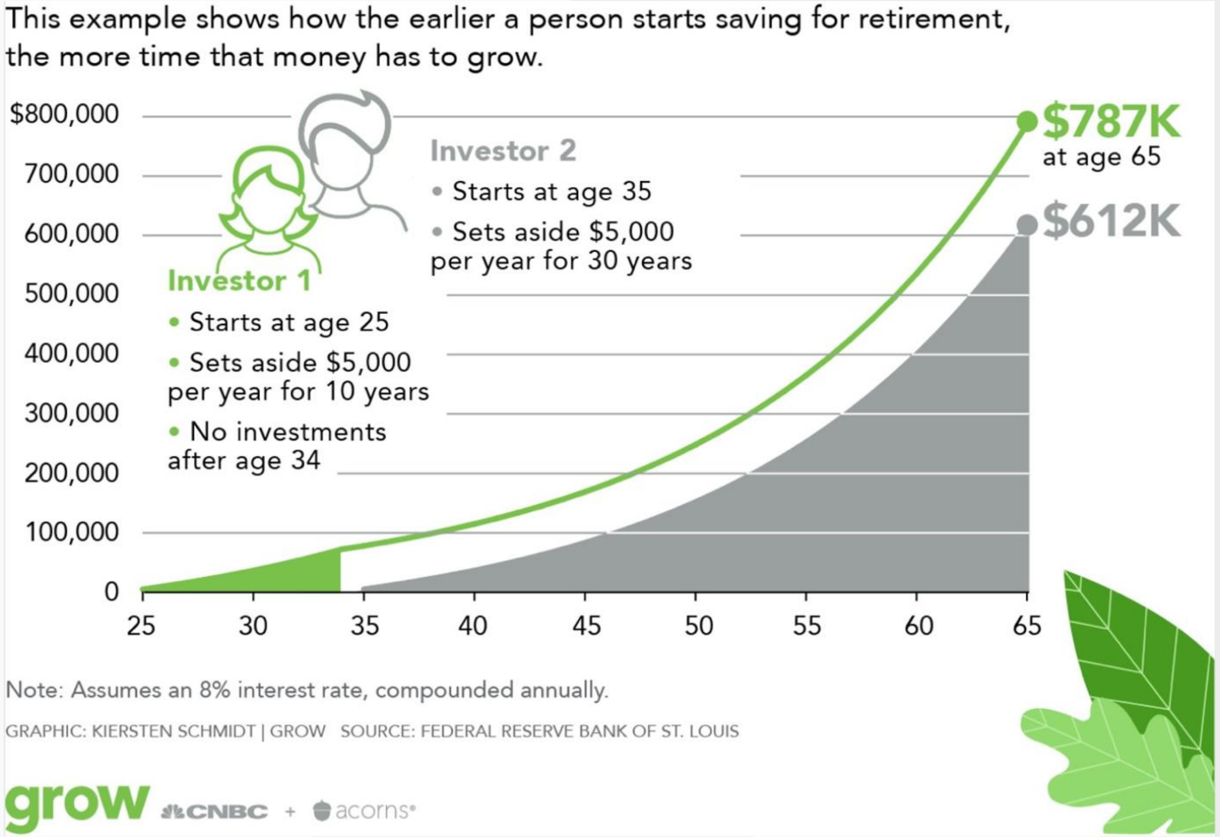
Distribution of S&P 500 Returns



Source: Bespoke Investment Group

Power of Compounding



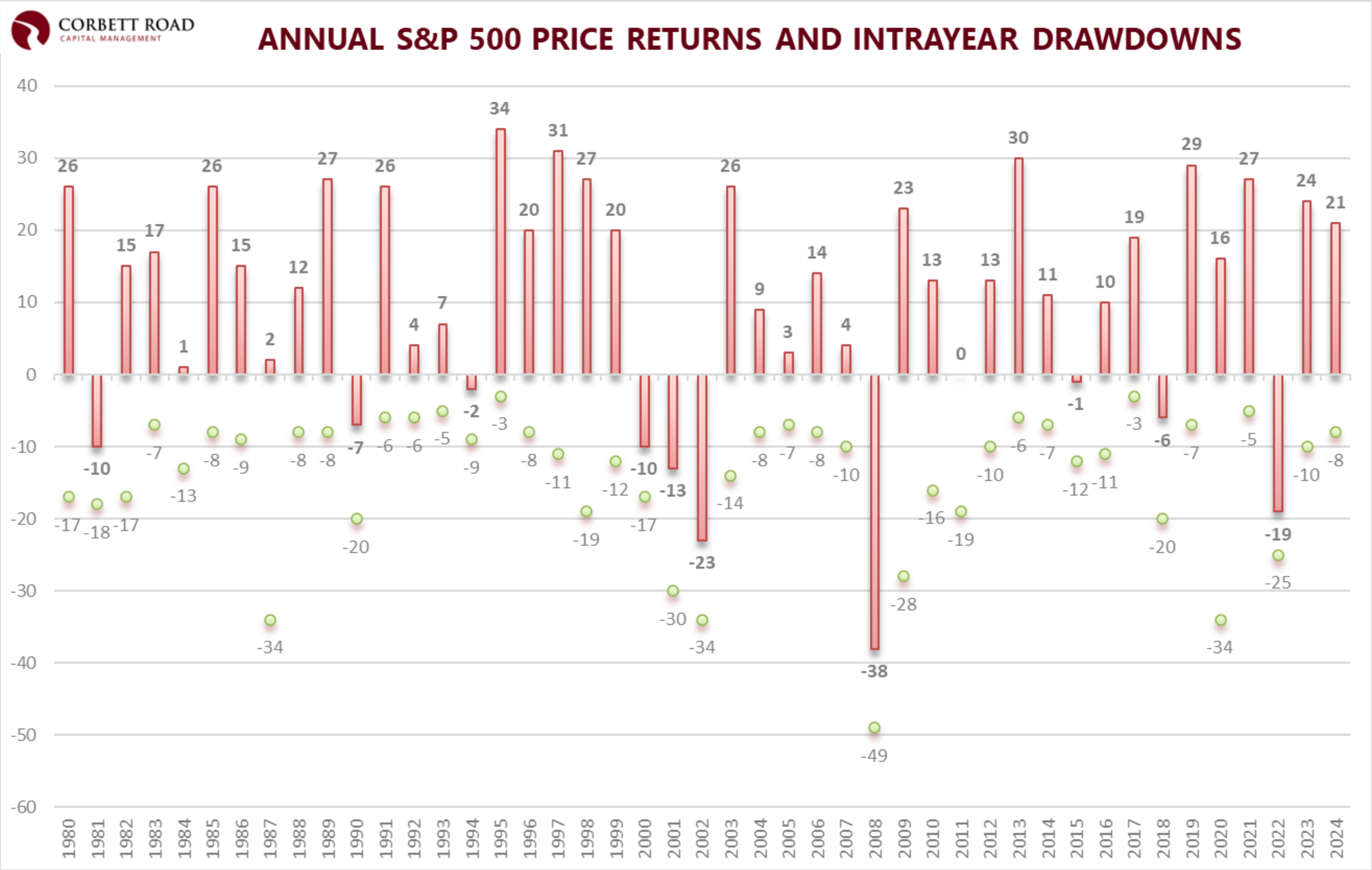


Source: Visual Capitalist (Left), Kiersten Schmidt (Grow) & Federal Reserve

Drawdowns

Market Corrections Happen Every Year

The average drop is 14%, but the market has been positive 75% of all calendar years since 1980.



Source: CRCM, S&P. 2024 data through 9/30/2024

The Market Has Rarely Spent Time in a Major Drawdown

How Much is the S&P 500 Down Since 1950?

Peak-to-Trough Drawdown	% of the time
Down 50% or Worse	0.1%
Down 40% or Worse	2.3%
Down 30% or Worse	5.4%
Down 20% or Worse	16.6%
Down 10% or Worse	36.6%
All-Time Highs	7.7%

Data: Ycharts (my calculations)

10 Year S&P 500 Returns Since 1950

10 Year Annual Returns	% of the time
Negative	3.1%
0% to 5%	11.0%
5% to 10%	30.9%
10% to 15%	31.7%
15% to 20%	23.2%
Long-Term Average	10.7%

Data: Returns 2.0 (my calculations)

Source: Ben Carlson

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Bull Markets Tend to Last Longer than Bear Markets

This chart shows daily historical performance of the S&P 500 Index throughout the U.S. Bull and Bear Markets since 1942. We believe looking at the history of the market's expansions and recessions helps to gain a fresh perspective on the benefits of investing for the long-term.

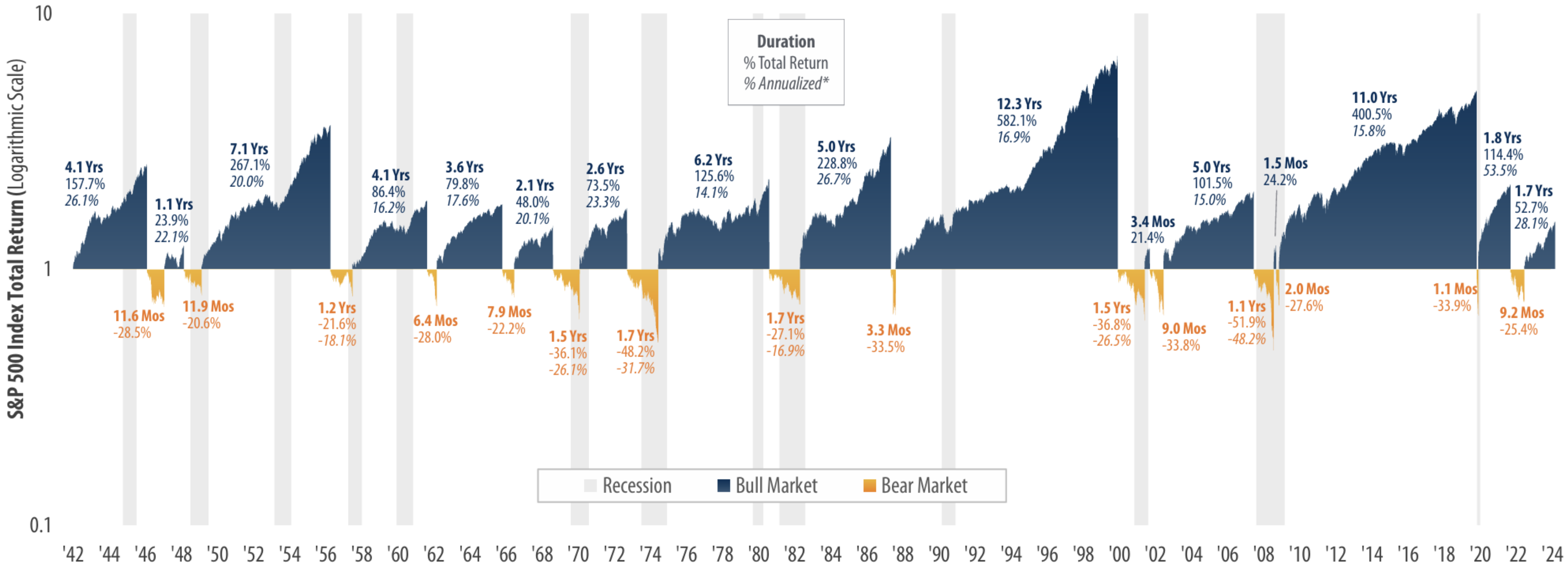
- The average **Bull Market** period lasted 4.3 years with an average cumulative total return of 149.2%.
- The average **Bear Market** period lasted 11.1 months with an average cumulative loss of -31.7%.

BULL

From the lowest close reached after the market has fallen 20% or more, to the next market high.

BEAR

When the index closes at least 20% down from its previous high close, through the lowest close reached after it has fallen 20% or more.



Source: First Trust Advisors L.P., Bloomberg. Daily returns from 4/29/1942 - 6/28/2024. *No annualized return shown if duration is less than one year. **Past performance is no guarantee of future results.** These results are based on daily returns–returns using different periods would produce different results. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges. This chart is for illustrative purposes only and not indicative of any actual investment. These returns were the result of certain market factors and events which may not be repeated in the future.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

Source: First Trust

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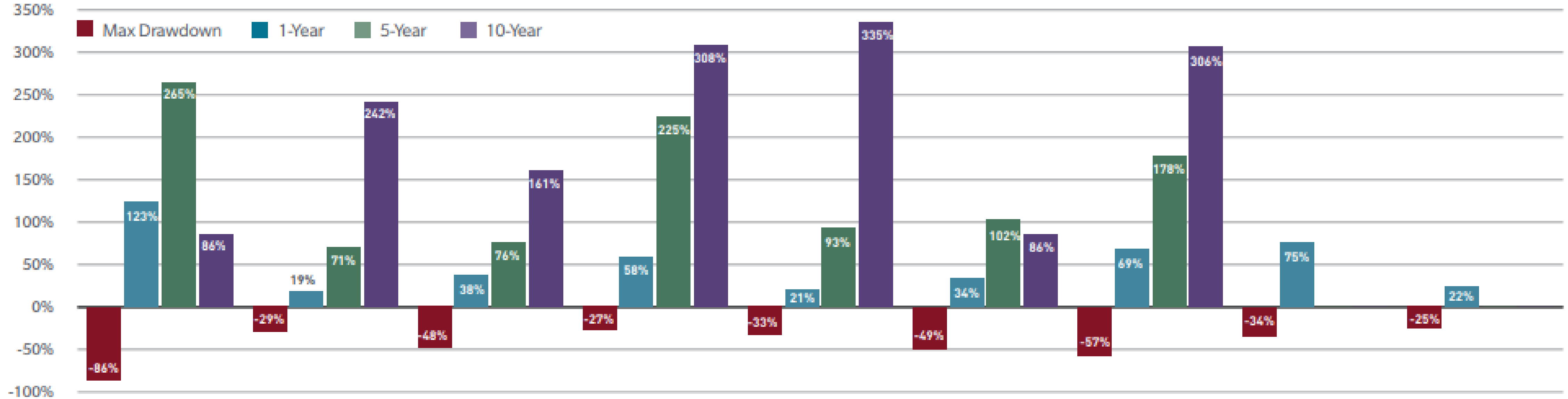
The Largest Drawdowns vs Forward Returns

Historically, markets have posted strong long-term gains following declines

S&P 500 Index cumulative returns for 1-, 5- and 10-years periods following end of bear market



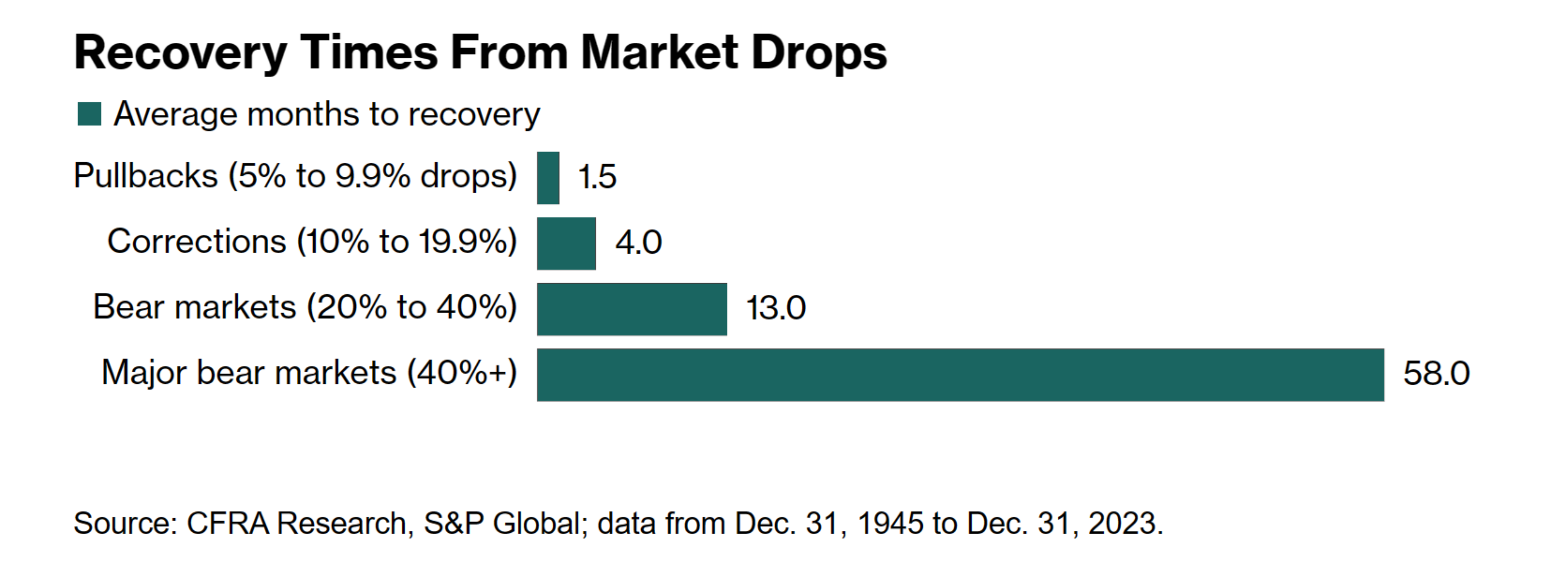
TIMEFRAME	GREAT DEPRESSION	POST-WWII RECESSION	ARAB OIL EMBARGO	RECESSION	BLACK MONDAY	DOT-COM BUBBLE	GLOBAL FINANCIAL CRISIS	COVID-19 PANDEMIC	INFLATION SPIKE
	09/06/29 to 06/01/32	05/30/46 to 05/19/47	01/11/73 to 10/03/74	11/28/80 to 08/12/82	08/21/87 to 12/04/87	03/24/00 to 10/09/02	10/09/07 to 03/09/09	02/20/20 to 03/23/20	01/03/22 to 10/12/22
DURATION (MO.)	33	12	21	20	3	31	17	1	9

As history has shown, recoveries have followed declines, and investors that have stayed invested for the long term may have benefited from the recovery.

Source: FactSet. Daily data from January 3, 1928 through December 31, 2023. Bear market is defined as the period from a peak to trough, with at least a 20% decline in the S&P 500 index price. Data in USD. Past performance is no guarantee of future results. It is not possible to invest in an index.

Source: MFS Investment Management

Most Market Pullbacks Resolve Within a Couple of Months



Source: Bloomberg

CORBETT ROAD
WEALTH MANAGEMENT

Time in the Market Matters:
Stocks Rarely Down When Held For 10+ Years

# Years Forward	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1	10%	1%	38%	23%	33%	29%	21%	-9%	-12%	-22%	29%	11%	5%	16%	6%	-37%	26%	15%	2%	16%	32%	14%	1%	12%	22%	-4%	31%	18%	29%	-18%	26%
2	6%	18%	30%	28%	31%	25%	5%	-11%	-17%	0%	19%	8%	10%	11%	-18%	-11%	21%	8%	9%	24%	23%	7%	7%	17%	8%	12%	25%	23%	3%	2%	
3	15%	20%	31%	28%	28%	12%	-1%	-15%	-4%	4%	14%	10%	9%	-8%	-6%	-3%	14%	11%	16%	20%	15%	9%	11%	9%	15%	14%	26%	8%	10%		
4	17%	23%	30%	26%	17%	6%	-7%	-5%	-1%	4%	15%	9%	-5%	-1%	-1%	-2%	15%	16%	16%	15%	14%	12%	7%	14%	16%	18%	13%	12%			
5	20%	24%	29%	18%	11%	-1%	-1%	-2%	1%	6%	13%	-2%	0%	2%	0%	2%	18%	15%	13%	15%	16%	8%	12%	15%	18%	9%	16%				
6	22%	24%	21%	13%	4%	4%	1%	-1%	3%	6%	2%	2%	3%	2%	2%	6%	17%	13%	12%	16%	12%	12%	13%	17%	11%	12%					
7	22%	18%	16%	7%	8%	5%	2%	1%	3%	-2%	6%	4%	3%	4%	6%	7%	15%	13%	14%	13%	15%	13%	15%	11%	13%						
8	17%	14%	10%	9%	8%	5%	3%	2%	-3%	2%	7%	4%	4%	7%	7%	7%	14%	14%	11%	15%	15%	15%	10%	13%							
9	14%	9%	12%	10%	8%	6%	4%	-4%	0%	3%	6%	5%	7%	8%	6%	7%	15%	12%	13%	15%	17%	11%	12%								
10	9%	11%	12%	9%	8%	6%	-1%	-1%	1%	3%	7%	7%	8%	7%	7%	8%	13%	14%	14%	17%	13%	12%									
11	11%	11%	11%	10%	8%	1%	1%	0%	1%	4%	9%	8%	7%	8%	8%	7%	15%	14%	15%	13%	14%										
12	11%	11%	12%	9%	3%	3%	2%	1%	3%	6%	10%	7%	7%	9%	7%	9%	15%	15%	12%	14%											
13	10%	11%	11%	5%	5%	4%	2%	2%	5%	7%	9%	8%	9%	8%	9%	10%	16%	12%	13%												
14	11%	11%	7%	6%	6%	4%	3%	4%	5%	6%	9%	9%	8%	9%	9%	11%	13%	13%													
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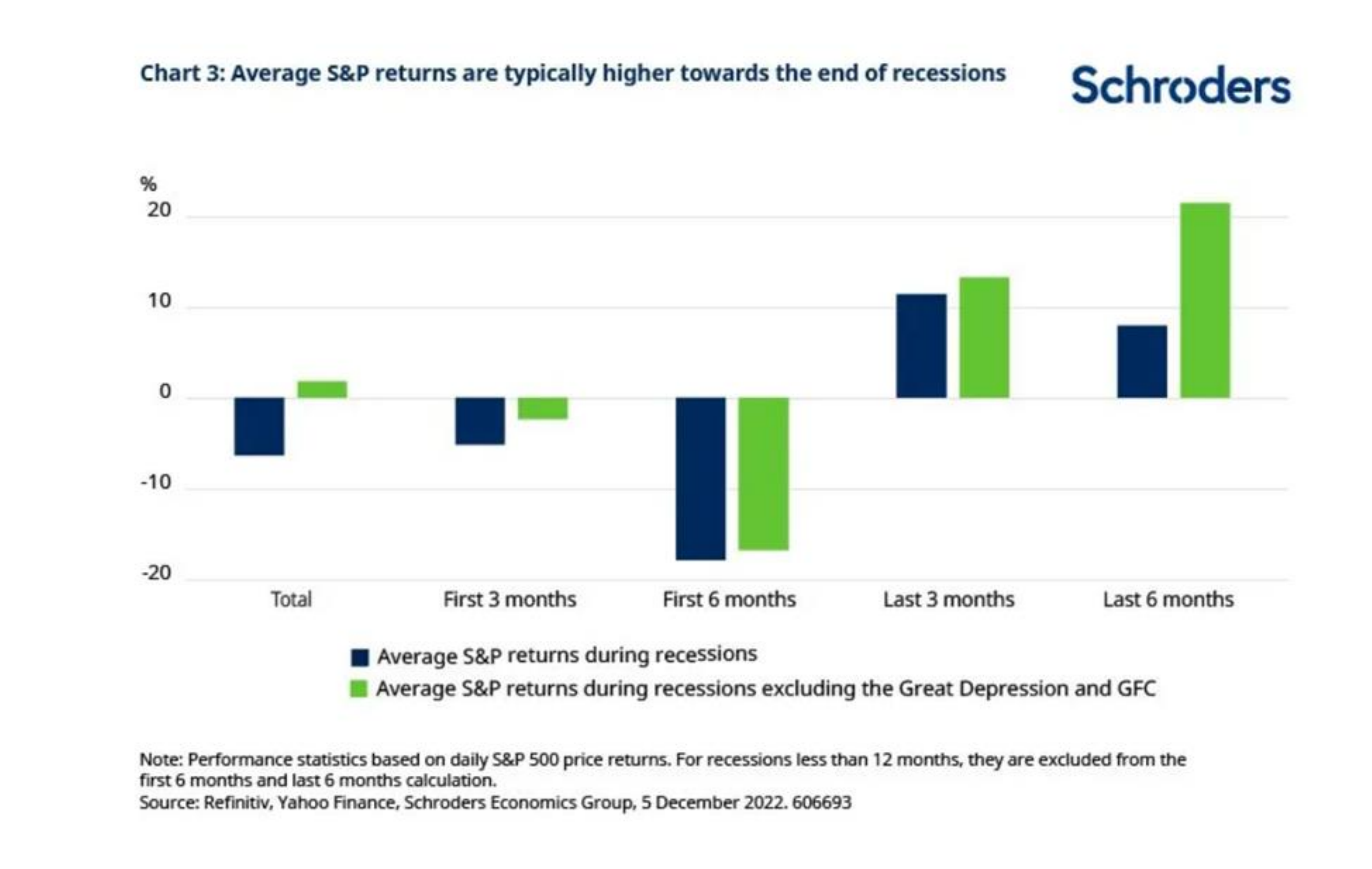
16	7%	8%	8%	6%	6%	6%	5%	4%	5%	8%	9%	9%	10%	11%	9%	10%															
17	8%	8%	8%	7%	7%	6%	5%	5%	6%	7%	10%	10%	11%	9%	10%																
18	8%	8%	9%	8%	8%	6%	5%	5%	6%	8%	11%	11%	9%	10%																	
19	8%	8%	10%	9%	7%	6%	6%	5%	7%	9%	11%	9%	10%																		
20	8%	9%	10%	8%	8%	7%	6%	6%	7%	10%	10%	10%																			
21	9%	9%	9%	8%	8%	7%	7%	7%	8%	8%	11%																				
22	9%	9%	10%	9%	8%	8%	7%	8%	7%	9%																					
23	9%	9%	10%	8%	9%	8%	8%	6%	8%																						
24	9%	10%	9%	9%	9%	9%	7%	7%																							
25	10%	9%	10%	10%	10%	8%	8%																								
26	9%	10%	11%	10%	9%	8%																									
27	10%	10%	11%	9%	9%																										
28	10%	11%	10%	10%																											
29	11%	10%	10%																												
30	10%	10%																													
31	10%																														

Calendar-Year Annualized Forward Returns

Source: A Wealth of Common Sense

Market Returns During Recessions



Source: Schroders

Corbett Road Risk Models

Recessionary vs Non-Recessionary Bear Markets

Type of Bear Market	# Since 1928	Avg Drawdown	Avg Duration (Peak-to-trough)
Recessionary	14	-39.4%	13 months (390 days)
Non-recessionary	11	-26.1%	7 months (202 days)
Average Bear Market (All)	25	-33.5%	10 months (307 days)

Source: Corbett Road

Corbett Road Tactical Solutions

macrocast™	**micro**cast™
V Valuation	**T** Technical Analysis
I Inflation	**U** Underlying Market Breadth
T Technical Analysis	**M** Momentum
A Aggregate Economy	**S** Sentiment
L Liquidity	
S Sentiment	
Opportunity MX Dynamic MX Core Equity MX	Opportunity TX Dynamic TX Core Equity TX

Source: Corbett Road

What is macro**cast**™**?**

Corbett Road Corbett Road examines data across six categories (the "VITALS" that we believe impact market conditions. Within the VITALS, we examine more than 20 specific indicators that drive the **macro**cast™ Score.

These indicators are then assessed and classified as signaling a positive (+1), neutral (0), or negative (-1) trend. The final **macro**cast™ Score is the result of the summation of the classified indicators.

Source: Piper Sandler, Corbett Road

What is macrocast™?

VALUATION

- Cyclically Adjusted P/E Ratio
- Corporate Profit Margins
- Market Cap to GDP

INFLATION

- Consumer Price Inflation (CPI)
- Industrial Metal Prices
- Crude Oil

TECHNICALS

- Index Price Relative to LT Moving Average
- % of Stocks Above 50 Day Moving Average (DMA)
- Cyclical vs Counter Cyclical Performance

AGGREGATE ECONOMY

- Real Retail Sales
- New Housing Starts
- Initial Jobless Claims

LIQUIDITY

- Yield Curve
- Corporate Bond Spreads
- Swap Spreads

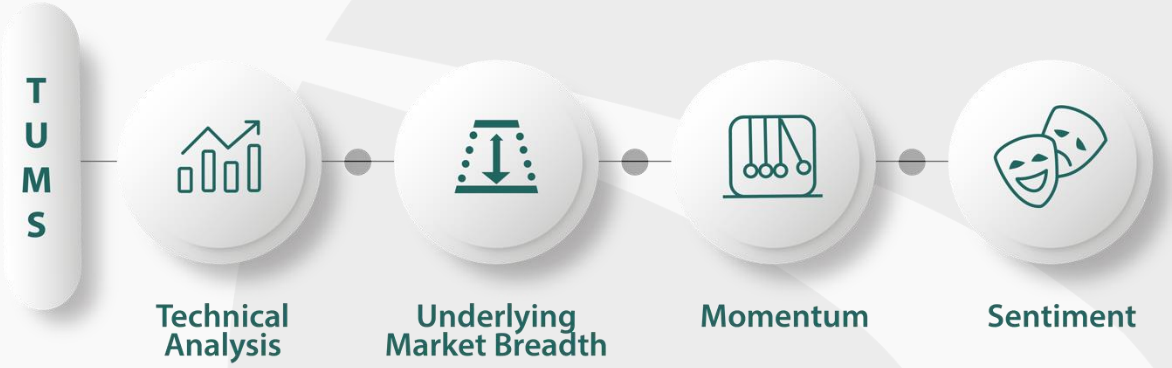
SENTIMENT

- University of Michigan Consumer Sentiment Index
- Investment Fund Flows
- Investor Sentiment Surveys

What is **micro**cast™?

Corbett Road examines data across four specific categories (“TUMS”) that we believe impact near to intermediate-term market conditions. **micro**cast™ assesses more than ten specific indicators within these four categories.

Each of the indicators are designed to give positive or negative signals that, in aggregate, generate the **micro**cast™ optimal risk allocation. This determines the allocation split between equity and defensive assets within the strategy.



Source: Piper Sandler, Corbett Road

CORBETT ROAD
WEALTH MANAGEMENT

microcast™?

TREND
- Price vs 200-dma
- Price vs 50-dma
- Price vs 21-dma

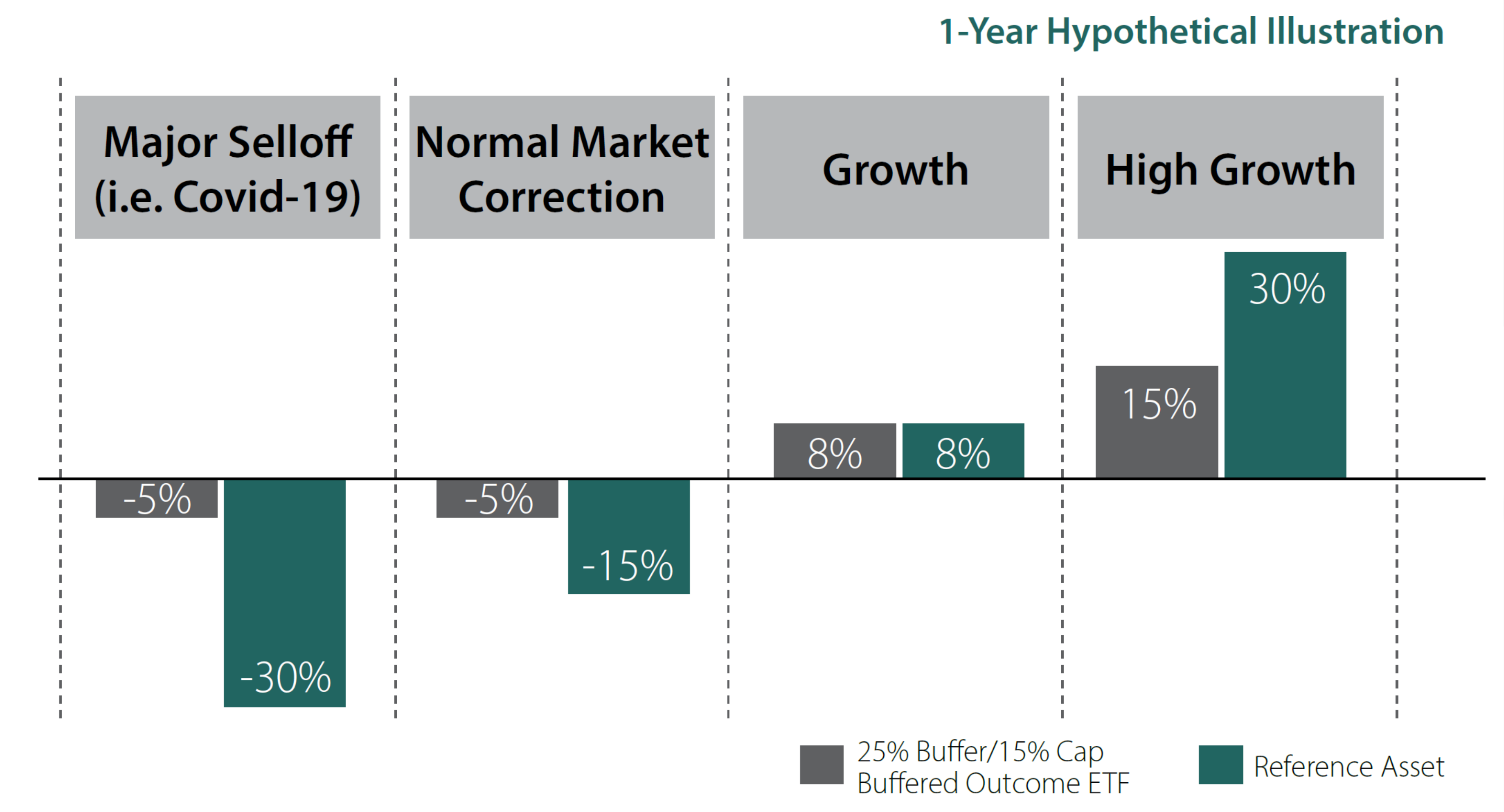
UNDERLYING BREADTH
- % of stocks above 50-dma
- Accumulation-Distribution Line
- Hi/Lo Ratio

MOMENTUM
- Stochastics
- Relative Strength Index (RSI)
- Moving Average Convergence/Divergence (MACD)

SENTIMENT
- VIX Index
- Equity Put/Call Ratio
- Bull/Bear Ratio

Corbett Road
Buffered Outcome Solutions

CORBETT ROAD
WEALTH MANAGEMENT



Source: Corbett Road

Asset Allocation

Vanguard Advisor's Alpha

FIGURE 1
The value-add of best practices in wealth management

VANGUARD ADVISOR'S ALPHA STRATEGY	MODULE	Benefit of moving from the scenario described to Vanguard Advisor's Alpha methodology: TYPICAL VALUE ADDED FOR CLIENT(BASIS POINTS)
Suitable asset allocation using broadly diversified funds/ETFs	1	> 0*
Cost-effective implementation (expense ratios)	2	30
Rebalancing	3	14
Behavioral coaching	4	0 to > 200
Asset location	5	0 to 60
Spending strategy (withdrawal order)	6	0 to 120
Total return versus income investing	7	> 0*
Range of potential value added (basis points)		Up to, or even exceed, 3% in net returns

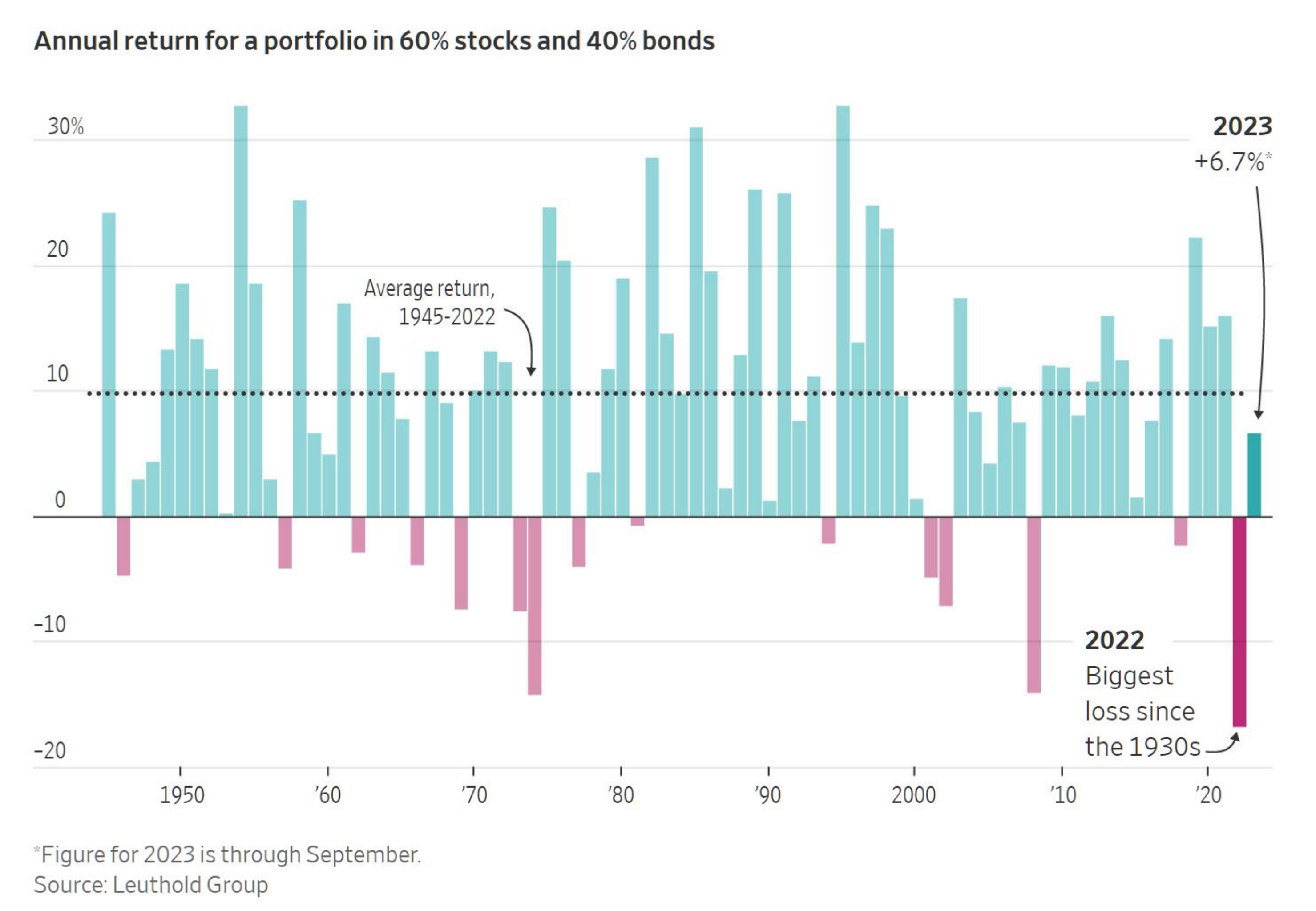
* Value is deemed significant but too unique to each investor to quantify.

Notes: We believe implementing the Vanguard Advisor's Alpha framework can add up to, or even exceed, 3% in net returns for your clients and also allow you to differentiate your skills and practice. The actual amount of value added may vary significantly depending on client circumstances and time horizon.

Source: Vanguard.

Source: Vanguard

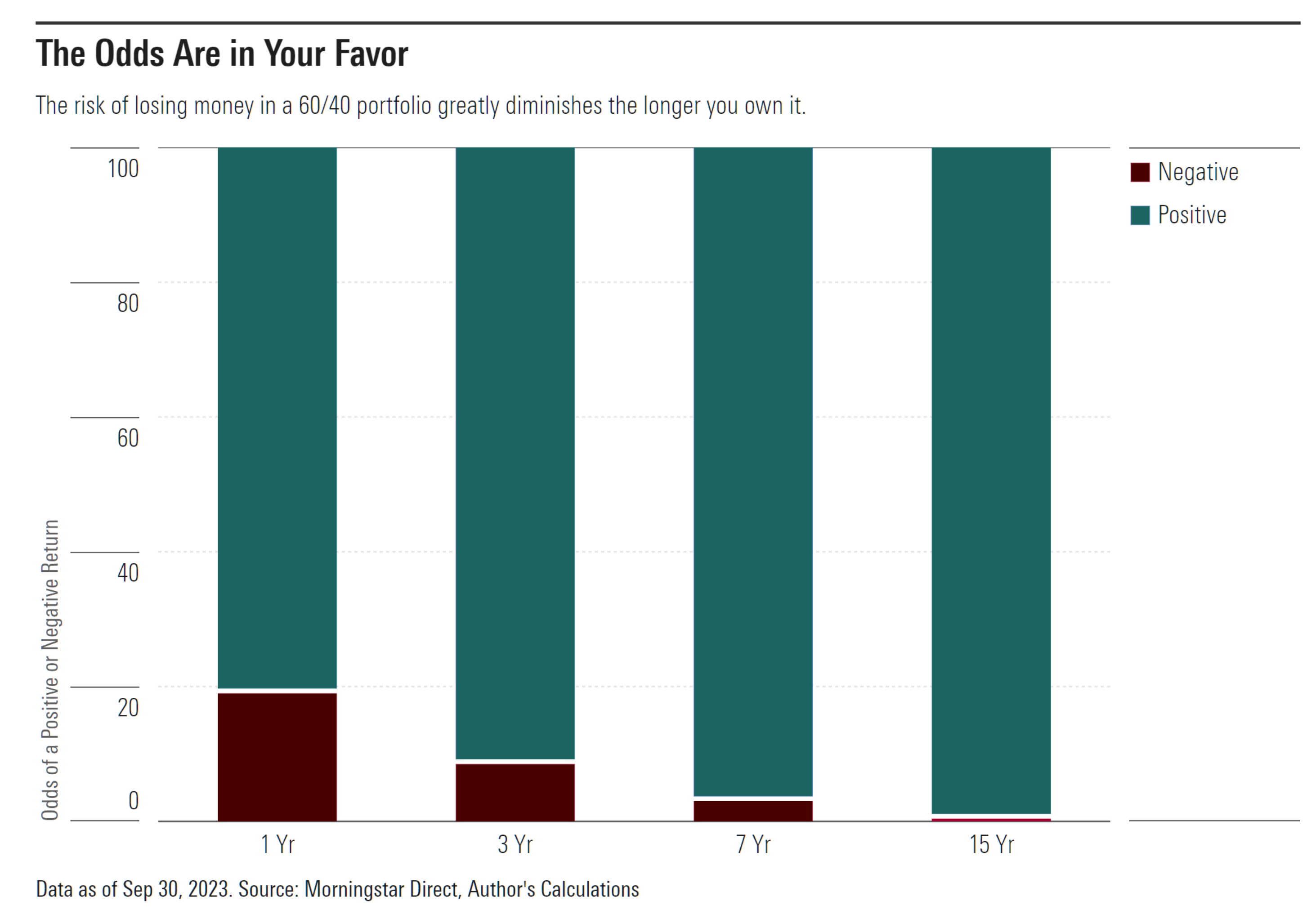
2022 Was Truly an Outlier For the 60/40 Portfolio



Source: WSJ, Leuthold Group

CORBETT ROAD
WEALTH MANAGEMENT

A 60/40 Portfolio Tends to Generate Positive Returns Over the Long Term

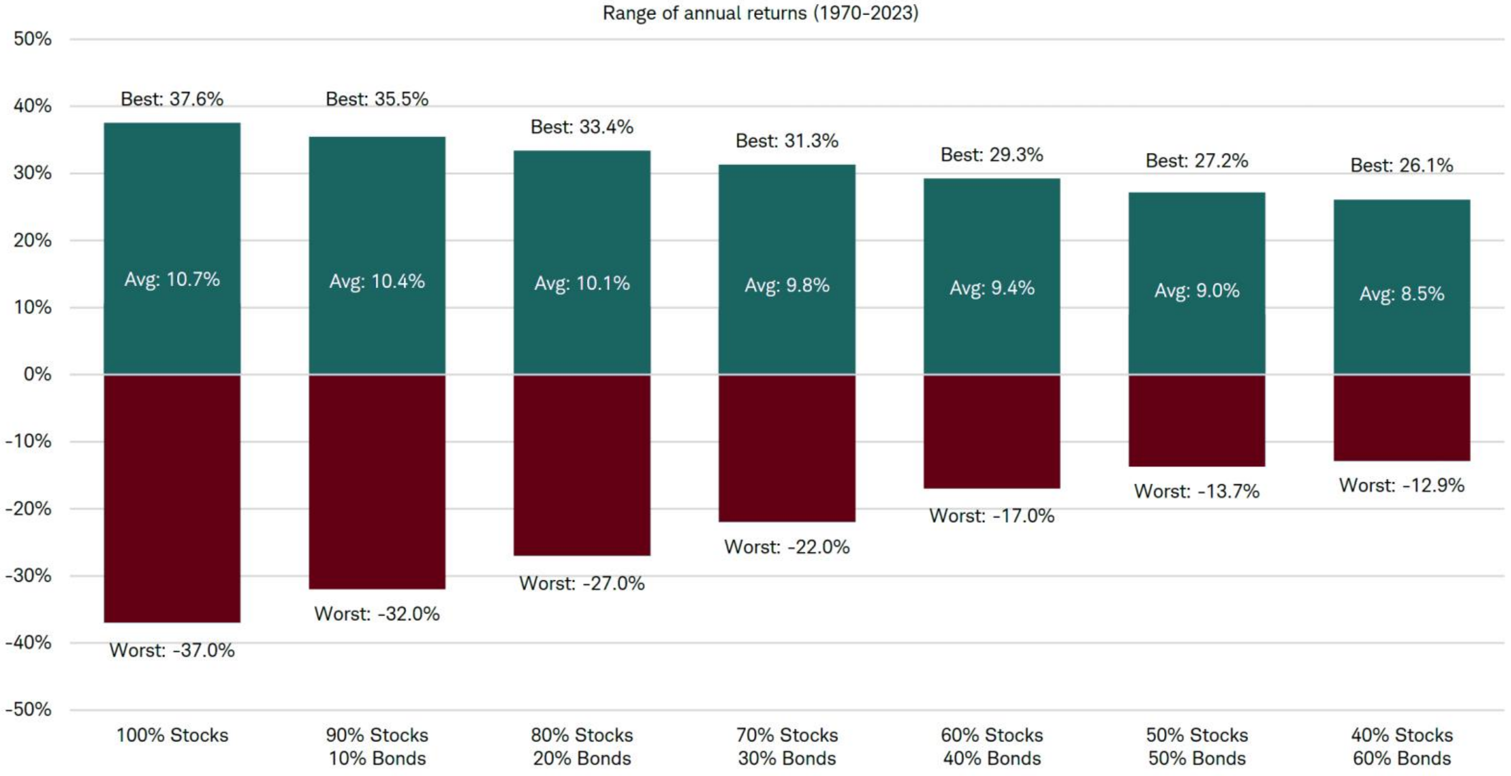


Source: Morningstar

Bonds Can Help Reduce Portfolio Volatility

Importance of diversification

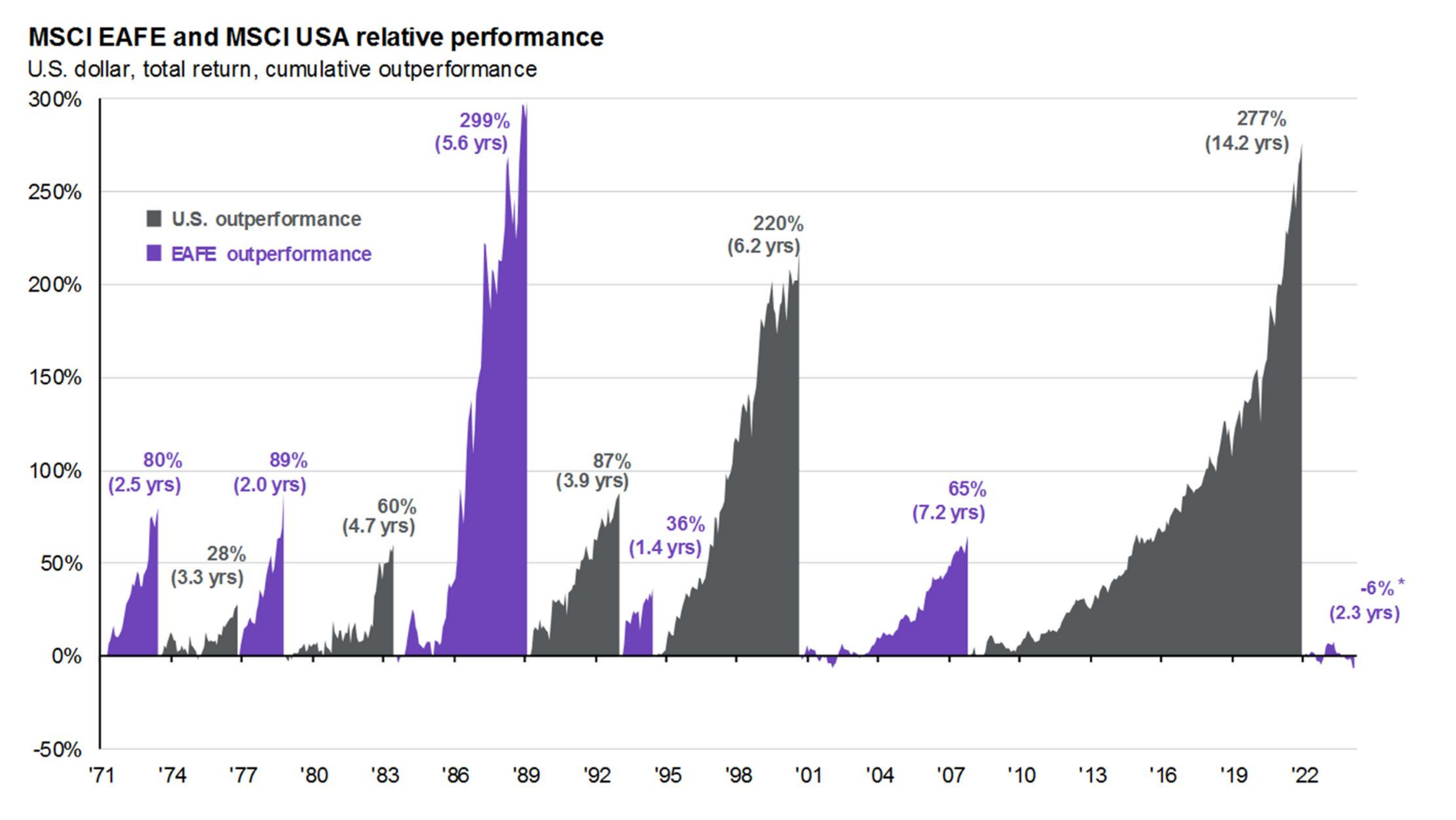
Adding fixed income investments to a portfolio of equities can help lower volatility.



Source: Schwab Center for Financial Research, with data provided by Morningstar, Inc. Stocks are represented by total annual returns of the S&P 500 Index, and bonds are represented by total annual returns of the Ibbotson U.S. Intermediate Government Bond Index. Return figures are the average, maximum, and minimum annual total returns for the hypothetical portfolios represented in the chart and are rebalanced annually. Returns include reinvestment of dividends, interest, and capital gains. The example is hypothetical and provided for illustrative purposes only. It is not intended to represent a specific investment product. Investing involves risk, including loss of principal. Indexes are unmanaged, do not incur management fees, costs, and expenses and cannot be invested in directly. **Past performance is no guarantee of future results. Diversification strategies do not ensure a profit and do not protect against losses in declining markets.**

Source: Charles Schwab

Domestic vs International



Source: JPM

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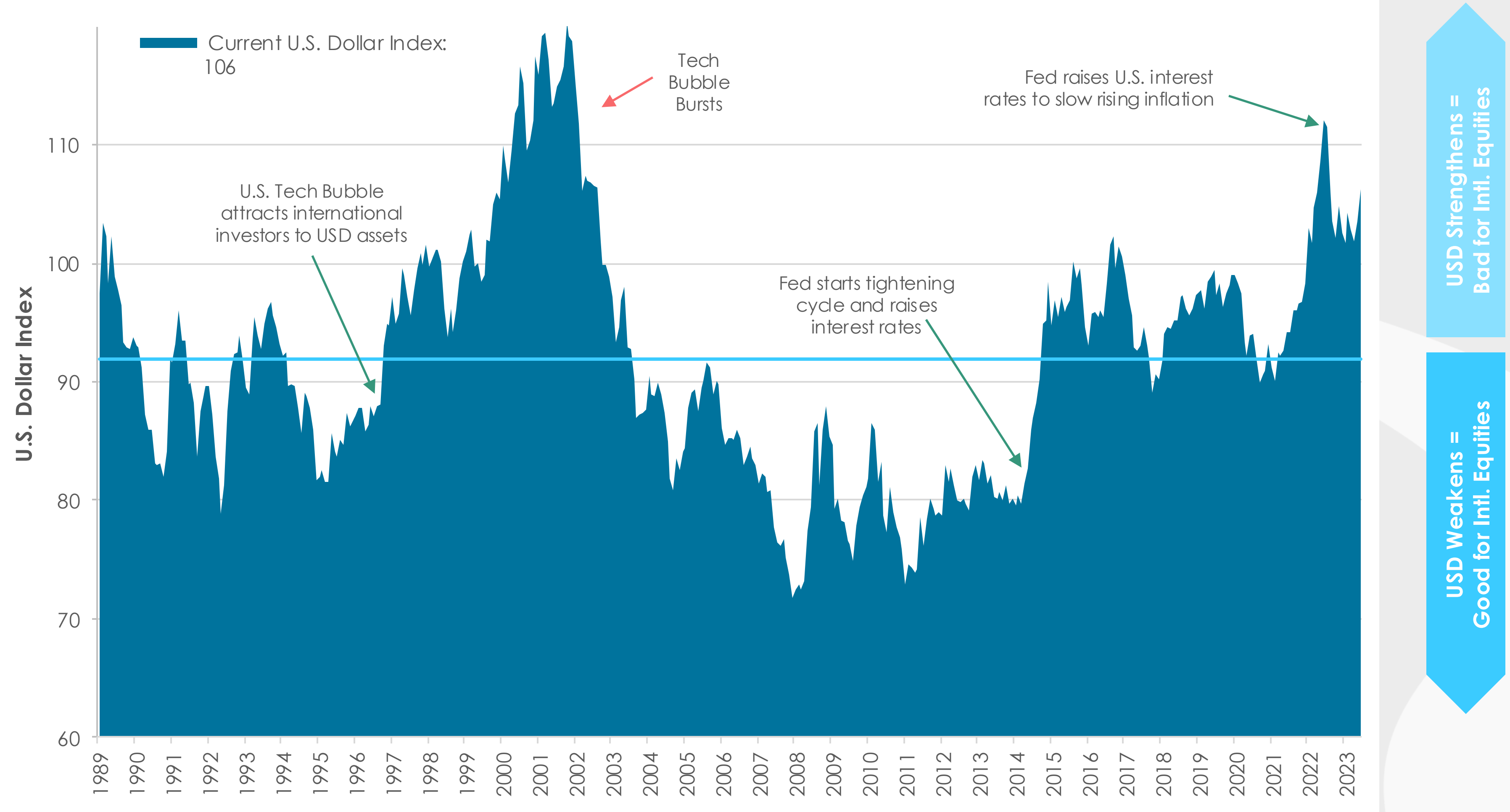
WEALTH MANAGEMENT

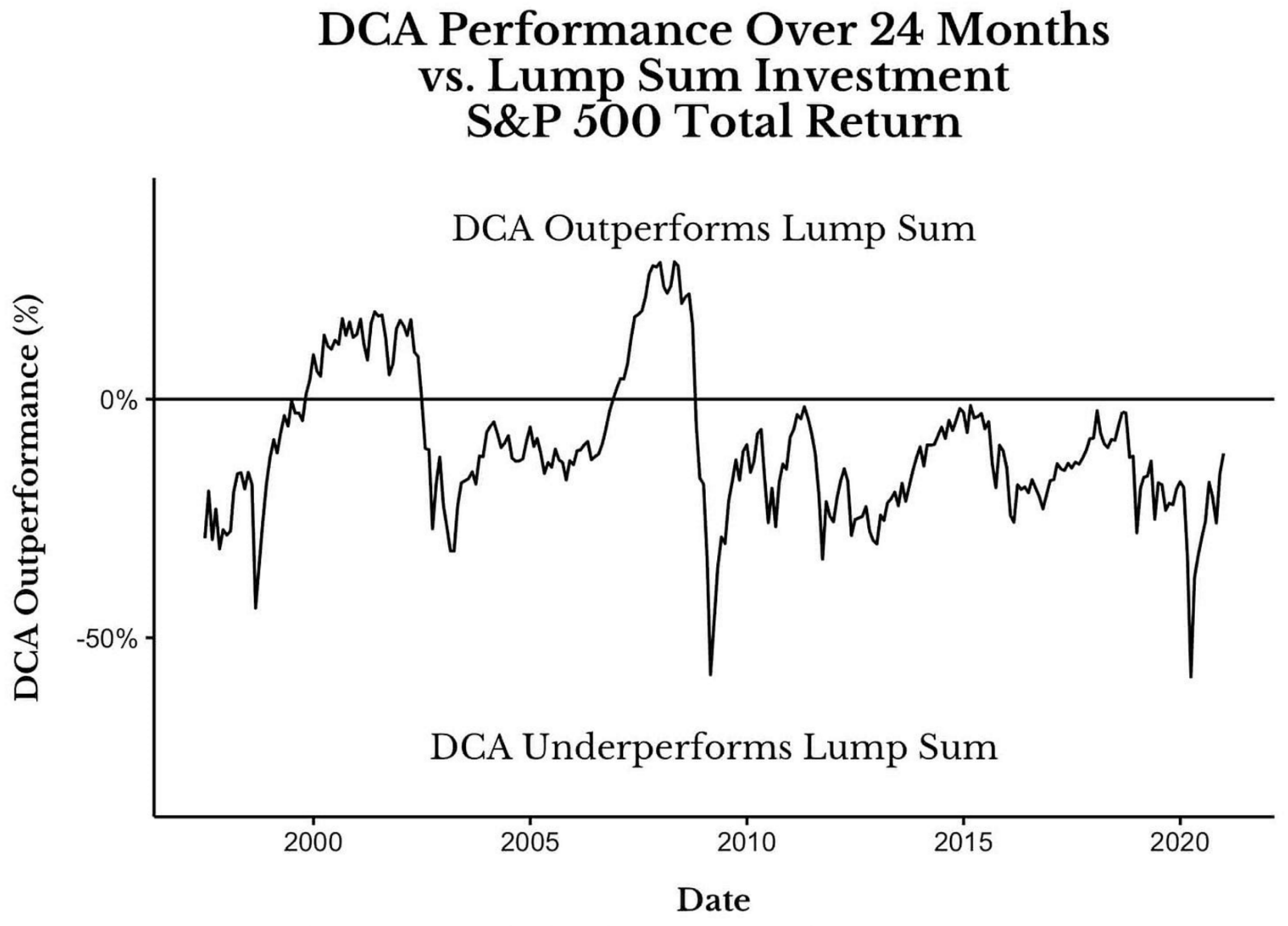
History of the U.S Dollar



Disclosures: Monthly datapoints from the Federal Reserve. The U.S. Dollar Index is an index of the value of the United States dollar relative to a basket of foreign currencies, often referred to as a basket of U.S. trade partners' currencies, including the Euro, Japanese Yen, British Pound, Canadian Dollar, Swedish Krona, and Swiss Franc.

Source: MarketDesk

Dollar Cost Averaging vs Lump Sum



Source: YCharts, 1997-2022 (OfDollarsAndData.com)
On average, DCA (over 24 months) underperforms Lump Sum by 10% and underperforms Lump Sum in 80.6% of all months shown.

Source: OfDollarsAndData.com

Dollar Cost Averaging vs Lump Sum

LS mostly outperforms CA, but CA still largely beats cash

Historical probability of outperformance

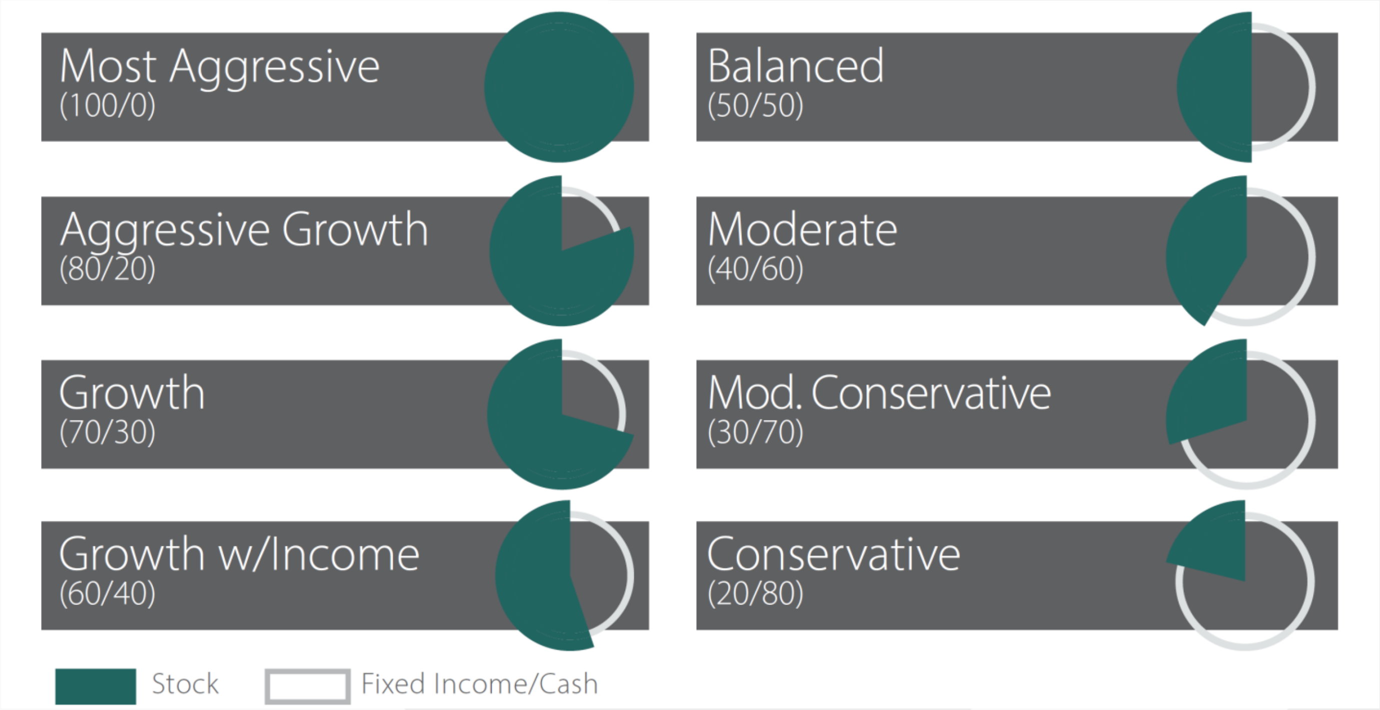
Lump-sum investing versus cost averaging	Cost averaging versus cash	Lump-sum investing versus cash
Lump-sum outperforms cost averaging **68%** of the time	Cost averaging outperforms cash **69%** of the time	Lump-sum outperforms cash **70%** of the time

Source: Vanguard

Corbett Road Asset Allocation

mypath Asset Allocation Portfolios™ (MAAP) offer a simple way to build a broadly diversified core portfolio. Available in allocation mixes spanning the target risk spectrum, our passive strategies establish a client's long-term base portfolio using low-cost, passive exchange traded funds (ETF) products.

While strategic adjustments are made on a year-to-year, these portfolios are designed to remain invested throughout the economic cycle and market fluctuations. Providing broad exposure to global equity, fixed income, and real estate markets, our passive solutions can be used as a standalone solution or in conjunction with our other strategies.



Source: Piper Sandler, Corbett Road

crfusion™

Passive Strategies	+	**Active** Strategies	+	**Tactical** Strategies	=	cr**fusion™**
Passive strategies are designed to maintain their allocation regardless of market conditions.		Active strategies remain fully invested, but will change the underlying investment based on fundamental analysis.		Tactical strategies have the ability to shift the allocation more favorably to stocks, fixed income, or cash at any time depending upon the health of the market.		cr**fusion**™ allows a client to invest in a customized and targeted solution that considers both the positive and negative fluctuations that occur throughout a market cycle.

Source: Piper Sandler, Corbett Road

Disclosures

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Thank You

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