Q1 2025 MAP TO THE MARKETS

CORBETT ROAD
WEALTH MANAGEMENT

For Internal Fidelity Use Only –
Not for Client Distribution

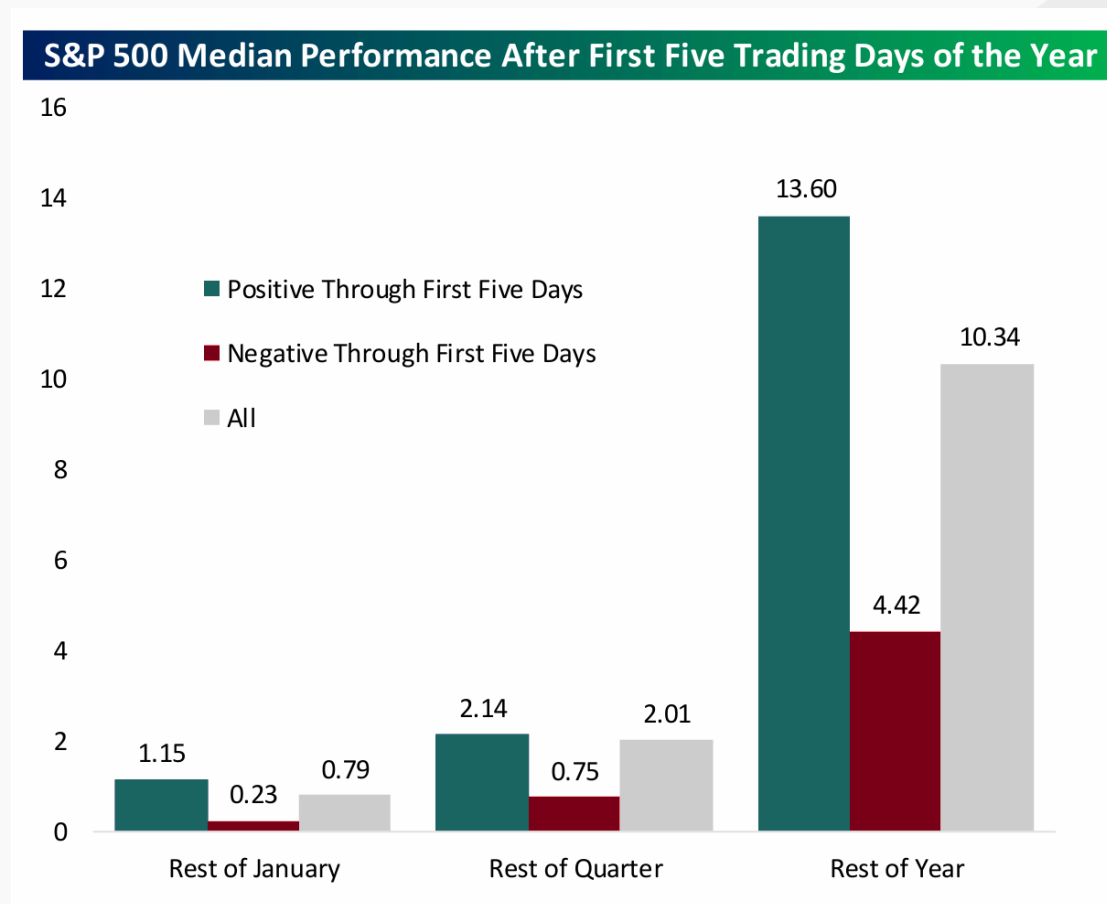# Timely Updates and Studies

A Positive Market To Start The Year Tends To Lead To Good Performance For The Year


S&P 500 Median Performance After First Five Trading Days of the Year

Legend:
- Positive Through First Five Days
- Negative Through First Five Days
- All

Rest of January: 1.15, 0.23, 0.79
Rest of Quarter: 2.14, 0.75, 2.01
Rest of Year: 13.60, 4.42, 10.34

This Bull Market Could Have a Long Way to Go

Exhibit 128: S&P 500 Total Return During Bull Markets
The current advance has ample upside relative to past recoveries.
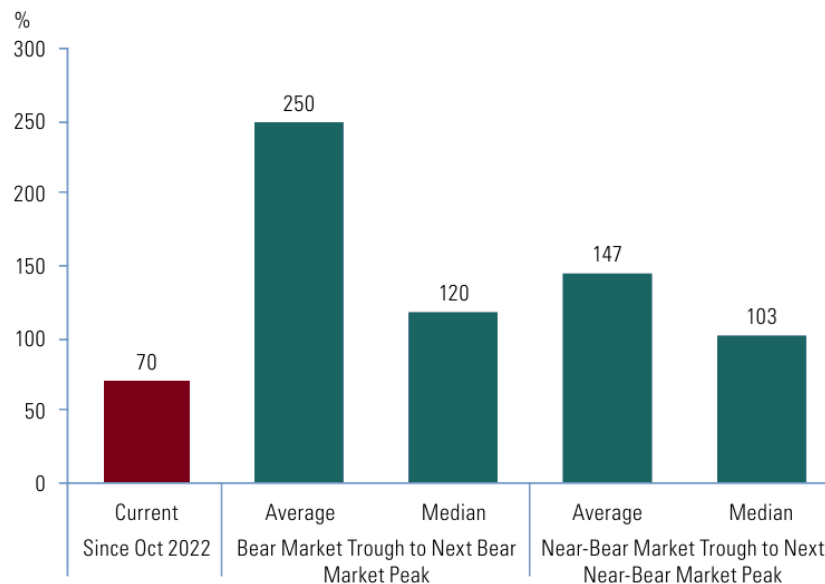
Data as of December 31, 2024.
Note: Based on data since 1945. A bear market is defined as a peak-to-trough price decline over 20%. A near-bear market is defined as a peak-to-trough price decline over 19%.
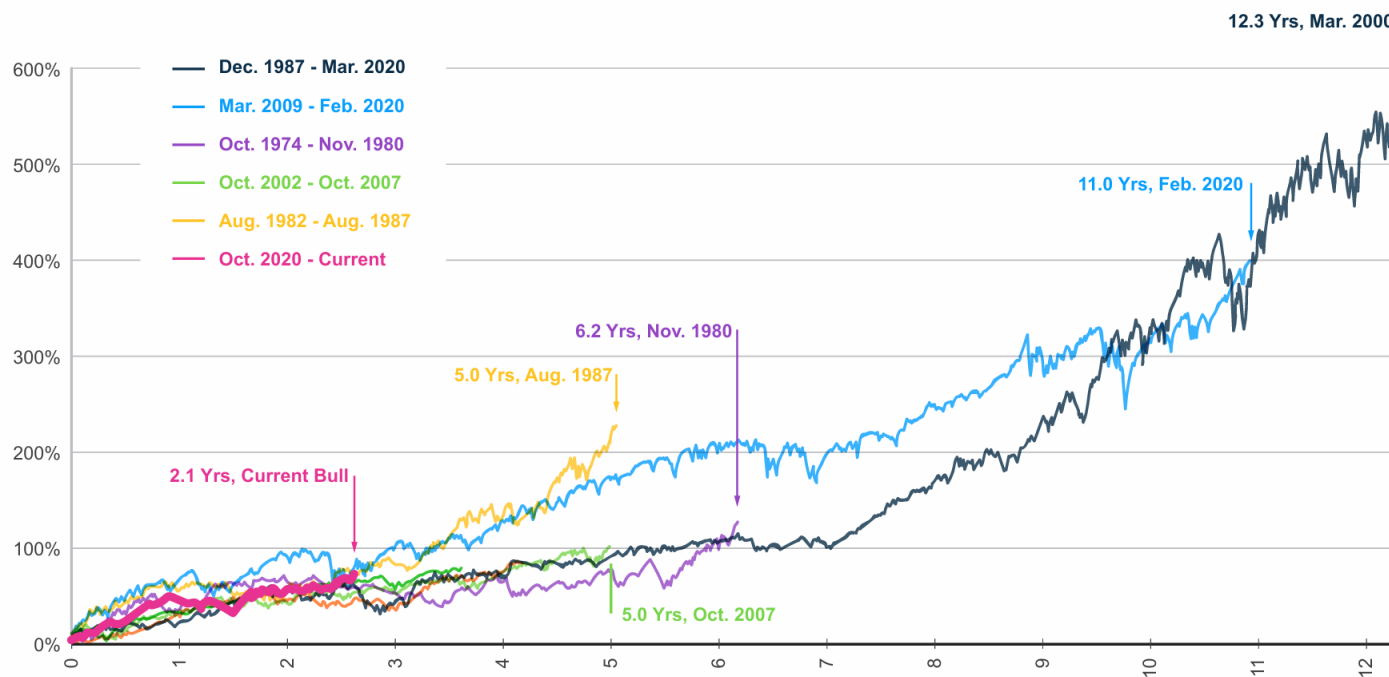Source: Investment Strategy Group, Bloomberg.

This Bull Market Could Have a Long Way to Go

Chart 16

Once A Bull Market Gets To Two Years Old There Could Be A Lot Left

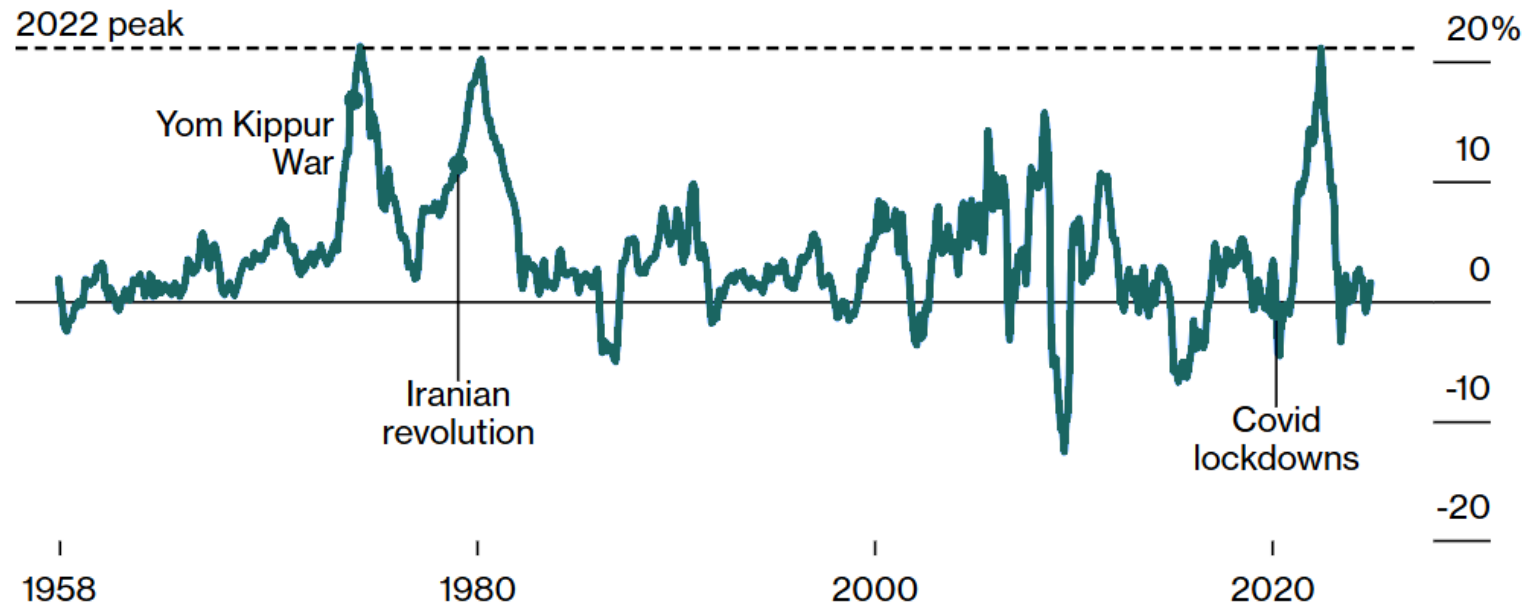Bull Markets the Past Fifty Years That Made It to Their Second Birthday

Legend:
- Dec. 1987 - Mar. 2020
- Mar. 2009 - Feb. 2020
- Oct. 1974 - Nov. 1980
- Oct. 2002 - Oct. 2007
- Aug. 1982 - Aug. 1987
- Oct. 2020 - Current

Annotations:
- 12.3 Yrs, Mar. 2000
- 11.0 Yrs, Feb. 2020
- 6.2 Yrs, Nov. 1980
- 5.0 Yrs, Aug. 1987
- 2.1 Yrs, Current Bull
- 5.0 Yrs, Oct. 2007

Source: Factset, Carson Investment Research 11/30/2024

Inflation Cools: Key Categories See Dramatic Improvement

Anti-Core Inflation

Combined food and energy prices, change from a year earlier

2022 peak

Yom Kippur War

Iranian revolution

Covid lockdowns

20%

10

0

-10

-20
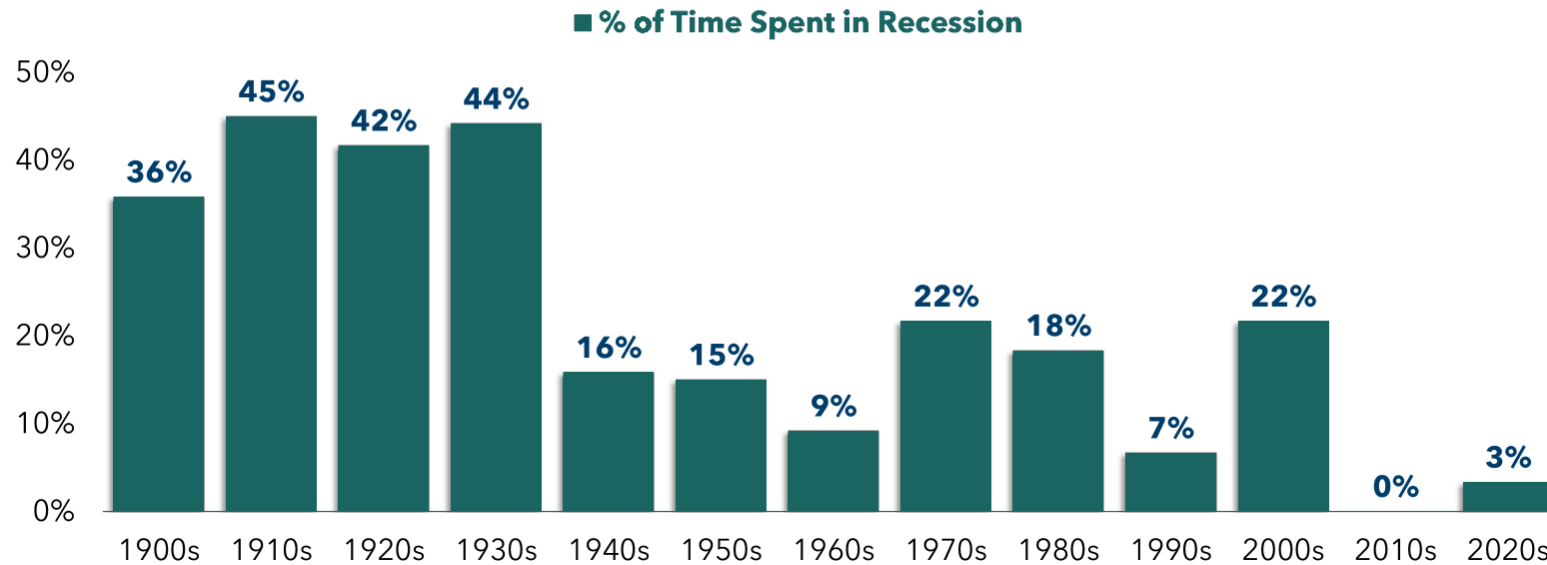
1958   1980   2000   2020

Source: Bureau of Labor Statistics via Bloomberg
Note: Calculations by Carolyn Silverman, Bloomberg Opinion data editor

Recession are Becoming Less Common

Time Spent in Recession by Decade

% of Time Spent in Recession
By Decade. Since 1900s

■ % of Time Spent in Recession

Decade	%
1900s	36%
1910s	45%
1920s	42%
1930s	44%
1940s	16%
1950s	15%
1960s	9%
1970s	22%
1980s	18%
1990s	7%
2000s	22%
2010s	0%
2020s	3%

No Recession in Sight: 35% Market Surge Points to Continued Growth
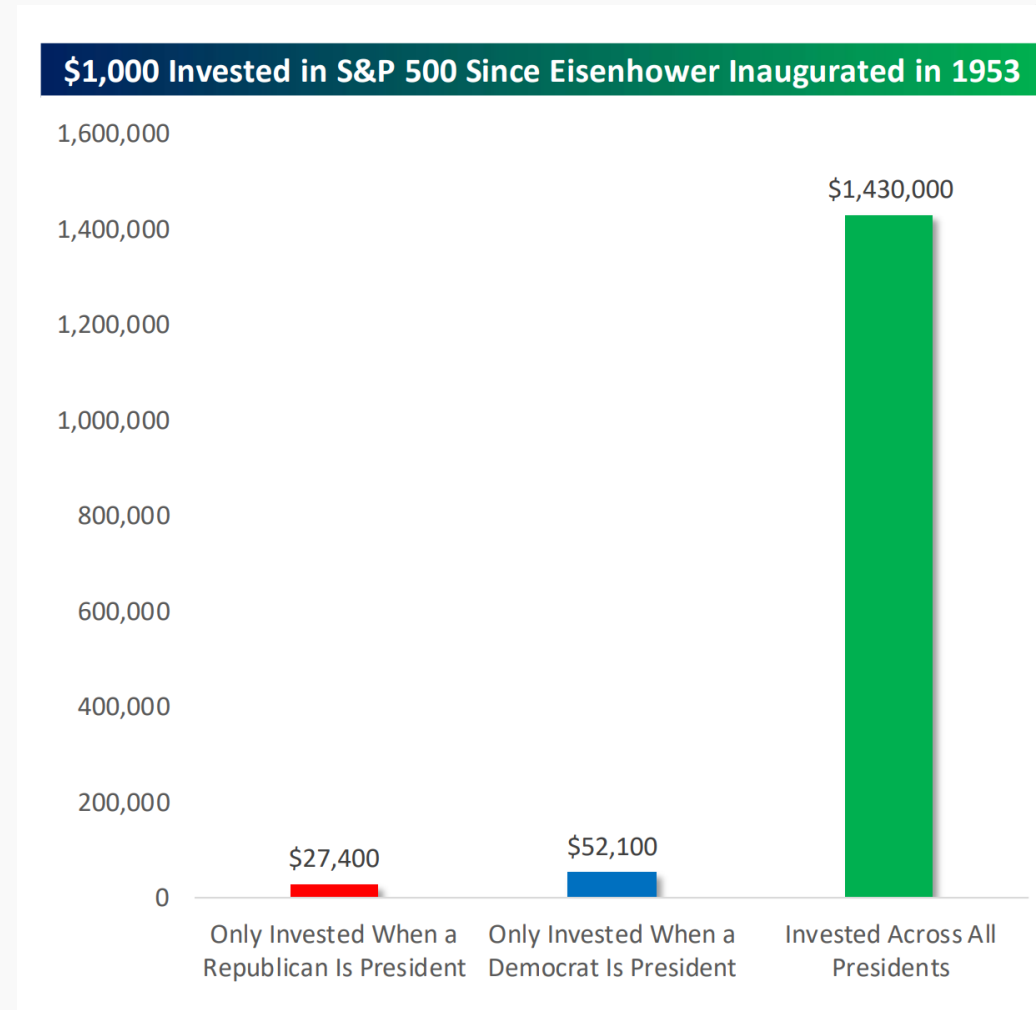
S&P 500 Performance After Gaining More Than 35% In The Last 12 Months*

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Date	S&P 500 12-Mo. Gain	S&P 500 Forward Performance				Business Cycle Peak In Next 12 Mos.?
		1-Mo %	3-Mo %	6-Mo %	12-Mo %	
March 30, 1928	37.3	3.2	0.3	11.7	33.5	No
April 30, 1933	42.7	15.9	19.6	7.7	25.7	No
October 31, 1935	41.4	3.9	14.8	10.5	38.1	No
March 31, 1943	44.6	0.1	6.6	4.3	3.8	No
January 31, 1946	37.9	-6.9	1.0	-3.3	-15.7	No
September 30, 1954	38.4	-1.9	11.4	13.2	35.2	No
December 31, 1958	38.1	0.4	0.4	5.9	8.5	No
June 30, 1971	37.1	-4.1	-1.4	2.4	7.5	No
March 31, 1983	36.6	7.5	9.9	8.6	4.1	No
September 30, 1987	39.1	-21.8	-23.2	-19.6	-15.5	No
January 30, 1996	35.2	0.7	2.9	0.6	23.6	No
July 31, 1997	49.1	-5.7	-4.2	2.7	17.4	No
August 31, 1999	37.9	-2.9	5.2	3.5	14.9	No
February 27, 2004	36.1	-1.6	-2.1	-3.6	5.1	No
February 26, 2010	50.3	5.9	-1.4	-5.0	20.2	No
March 31, 2021	53.7	5.2	8.2	8.4	14.0	No
October 31, 2024	36.0	?	?	?	?	?
Average	41.0	-0.1	3.0	3.0	13.8	No peaks within
Avg., All Periods	8.4	0.7	2.0	4.1	8.4	next 12 months.

*12-month gain must have been below 35% for each of the previous 12 months.

Elections vs Markets

# The Market Performs Better in Democratic AND Republican Administrations

$1,000 Invested in S&P 500 Since Eisenhower Inaugurated in 1953

$27,400	$52,100	$1,430,000
Only Invested When a Republican Is President	Only Invested When a Democrat Is President	Invested Across All Presidents

Source: Charles Schwab

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Presidential Party vs US Stocks

Politics versus sound investment principles

Politics can be stressful and can create uncertainty and a lot of noise. Historically, markets have rewarded long-term investors regardless of the party in charge of the White House.
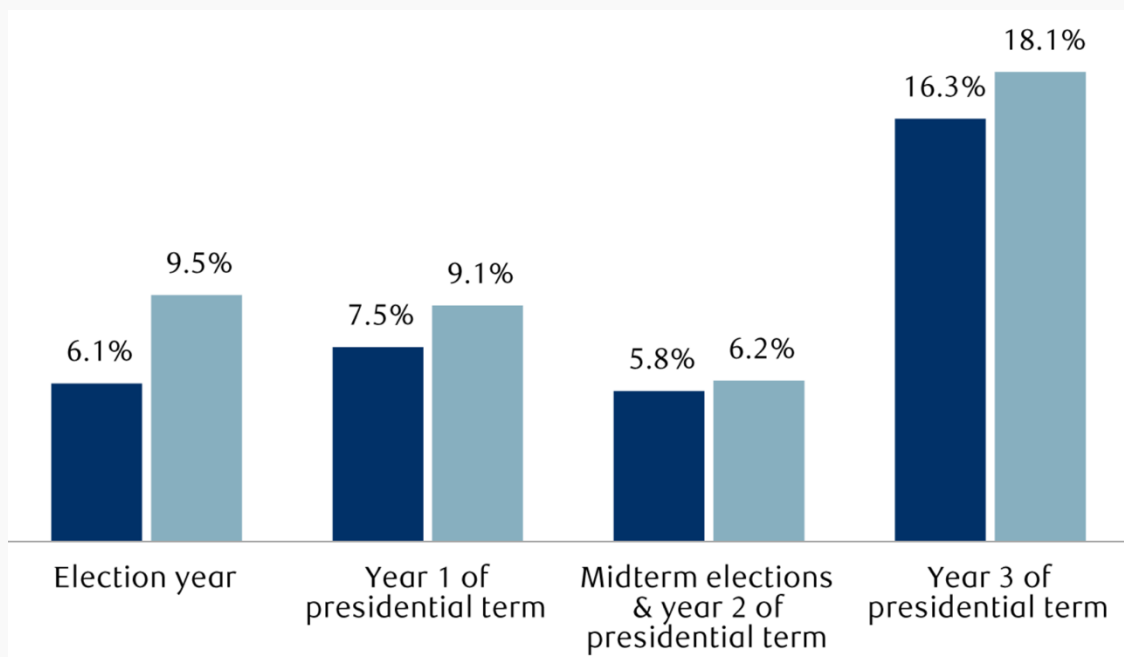
Growth of $1 (January 1961 – December 2024)

■ Democrat ■ Republican
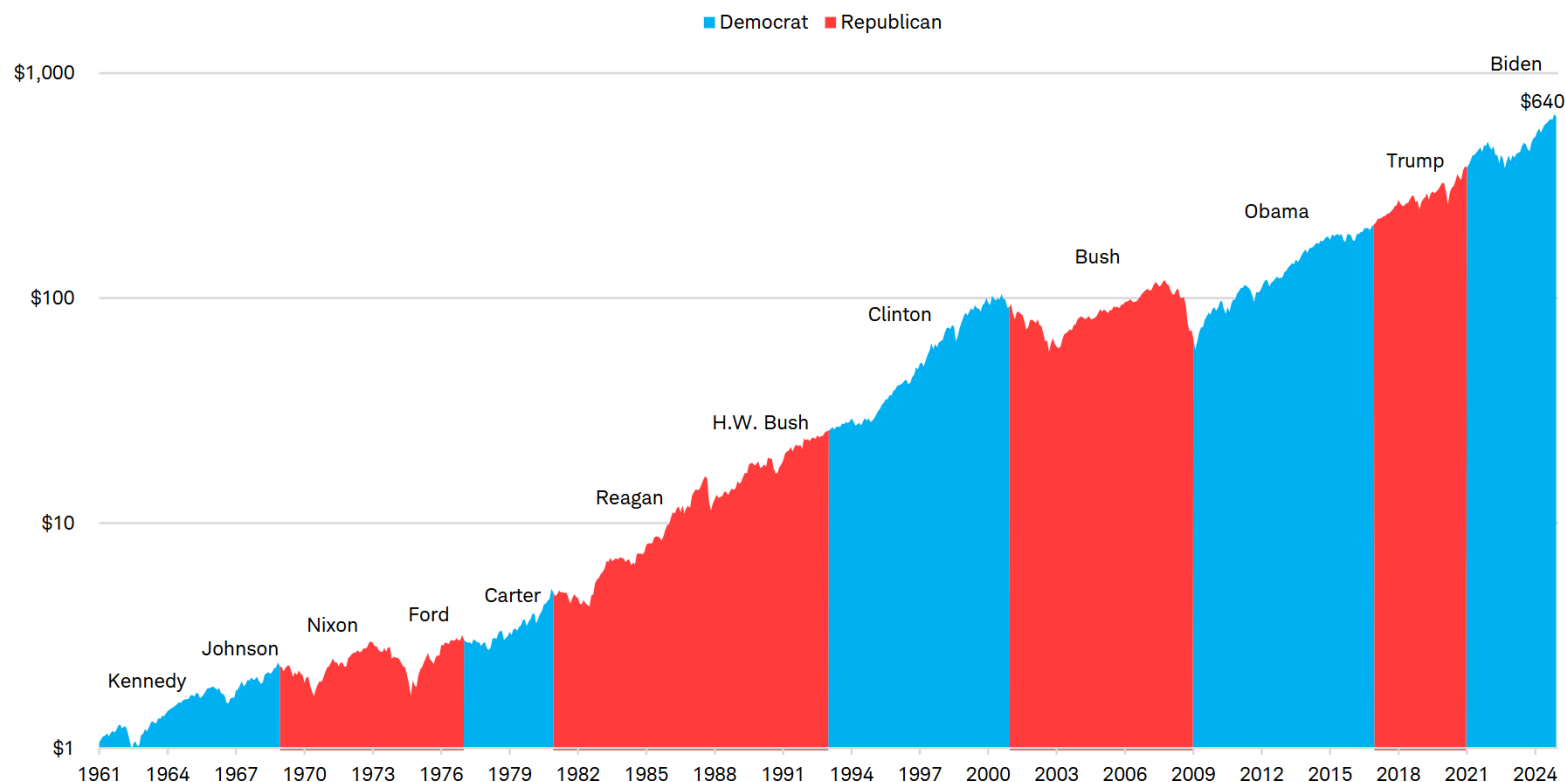
Source: Schwab Center for Financial Research, with data provided by Morningstar, Inc. The chart above shows the growth of $1 invested in a hypothetical portfolio that tracks the Ibbotson U.S. Large Stock Index starting on January 1, 1961. January returns in inauguration years are assumed to be under the party that is being inaugurated. The example is hypothetical and provided for illustrative purposes only. It is not intended to represent a specific investment product. Returns include investment of dividends and interest. 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.**
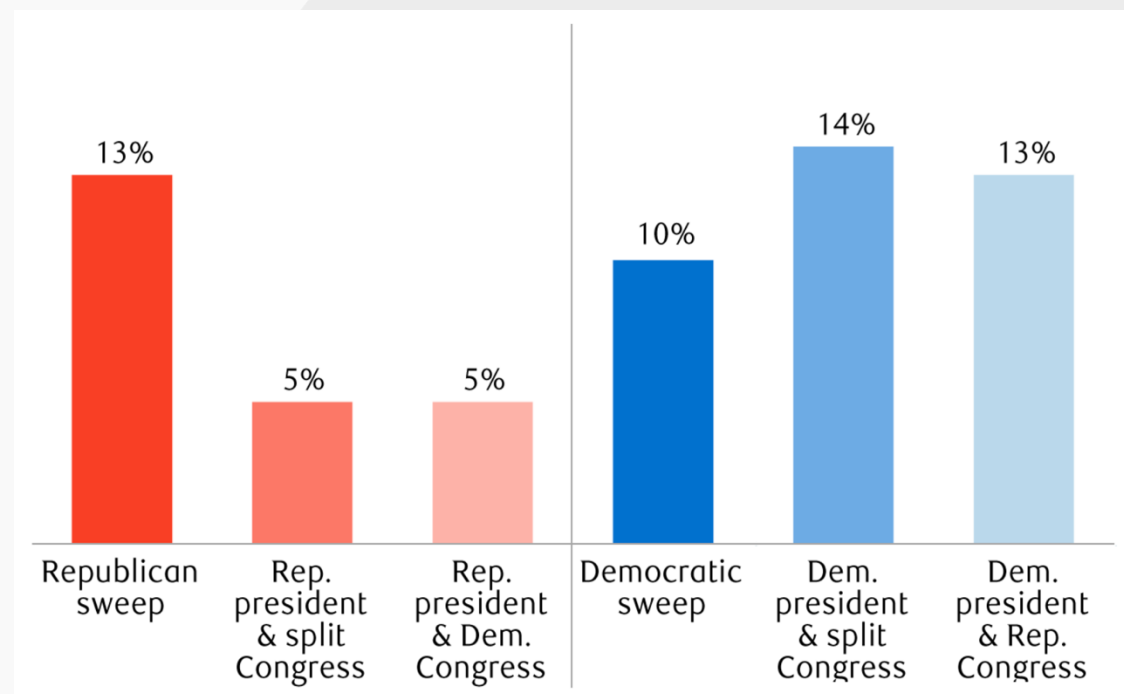
Election Cycles & Government Composition

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

- Election year: 6.1%, 9.5%
- Year 1 of presidential term: 7.5%, 9.1%
- Midterm elections & year 2 of presidential term: 5.8%, 6.2%
- Year 3 of presidential term: 16.3%, 18.1%

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

- Republican sweep: 13%
- Rep. president & split Congress: 5%
- Rep. president & Dem. Congress: 5%
- Democratic sweep: 10%
- Dem. president & split Congress: 14%
- Dem. president & Rep. Congress: 13%

Market Performance & Asset Class Returns

Historical Asset Class Returns

Asset Class Returns

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Ann.
	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 25.0%	Lg Cap 13.9%
	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%	Sm Cap 11.5%	Sm Cap 10.3%
	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%	HY Bnd 8.2%	REIT 9.4%
	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%	EM 8.1%	AA 6.5%
	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 7.4%	HY Bnd 6.4%
	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%	Cash 5.3%	Int'l Stk 5.7%
	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%	REIT 4.9%	EM 3.4%
	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%	Int'l Stk 4.4%	HG Bnd 2.3%
	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%	HG Bnd 1.3%	Cash 1.2%

| Abbr.	Asset Class – Index	Annual	Best	Worst
Lg Cap	Large Cap Stocks – S&P 500 Index	13.88%	32.4%	-18.1%
Sm Cap	Small Cap Stocks – Russell 2000 Index	10.33%	38.8%	-20.4%
Int'l Stk	International Developed Stocks – MSCI EAFE Index	5.74%	25.6%	-14.0%
EM	EM Stocks – MSCI Emerging Markets Index	3.39%	37.8%	-19.7%
REIT	REITs – FTSE NAREIT All Equity Index	9.40%	41.3%	-25.0%
HG Bnd	High Grade Bonds – Bloomberg Barclays U.S. Agg Index	2.28%	8.7%	-13.0%
HY Bnd	High Yield Bonds – ICE BofA US High Yield Index	6.42%	17.5%	-11.2%
Cash	Cash – S&P U.S. Treasury Bill 0-3 Mth Index	1.19%	5.3%	0.0%
AA	Asset Allocation Portfolio*	6.45%	18.9%	-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 12/31/24. *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.

The Market Rarely Sees Average Returns in a Calendar Year

An Average Year Isn't So Average

S&P 500 Gains Between 8-10% Are Quite Rare (1950 - 2024)
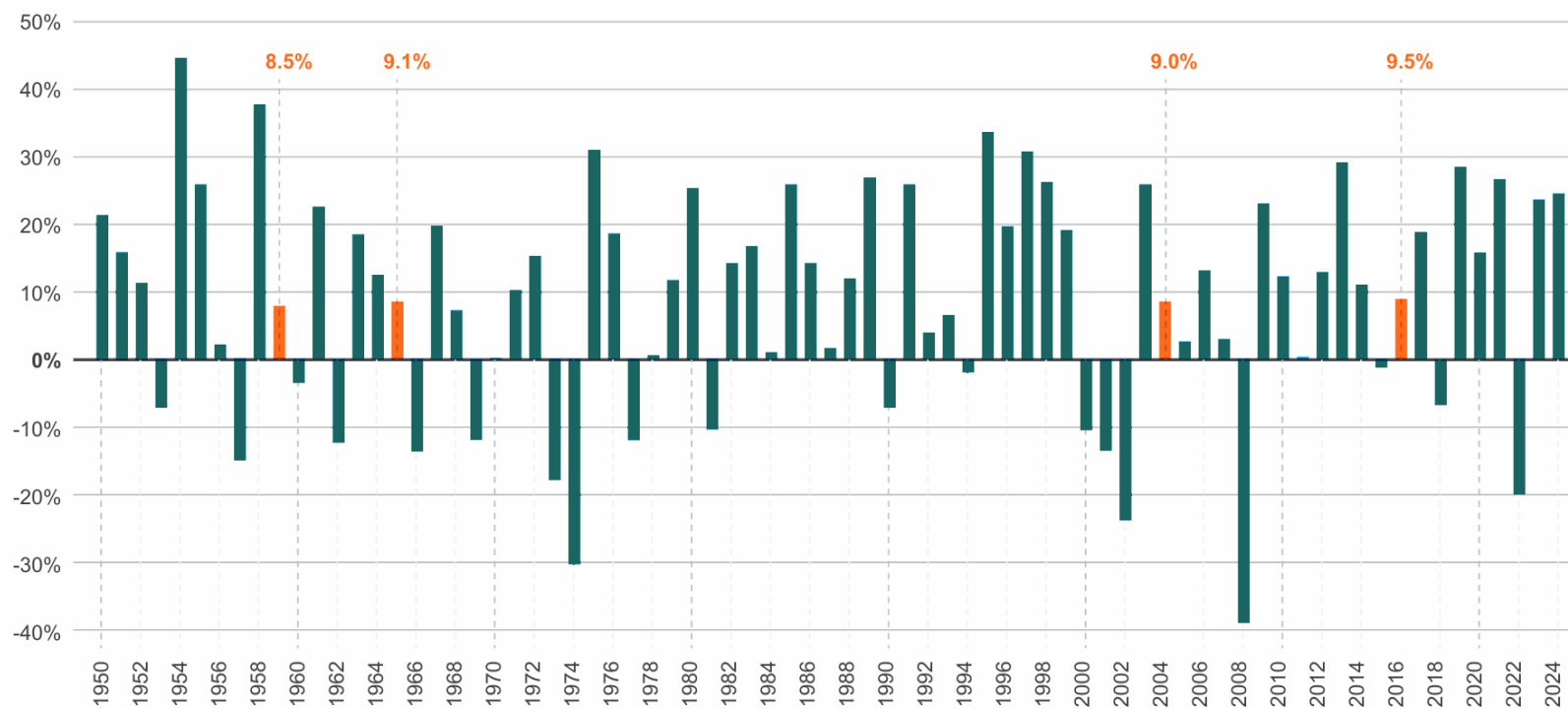
Source: Carson Investment Research, YCharts 11/30/2024 (1950 - Current)

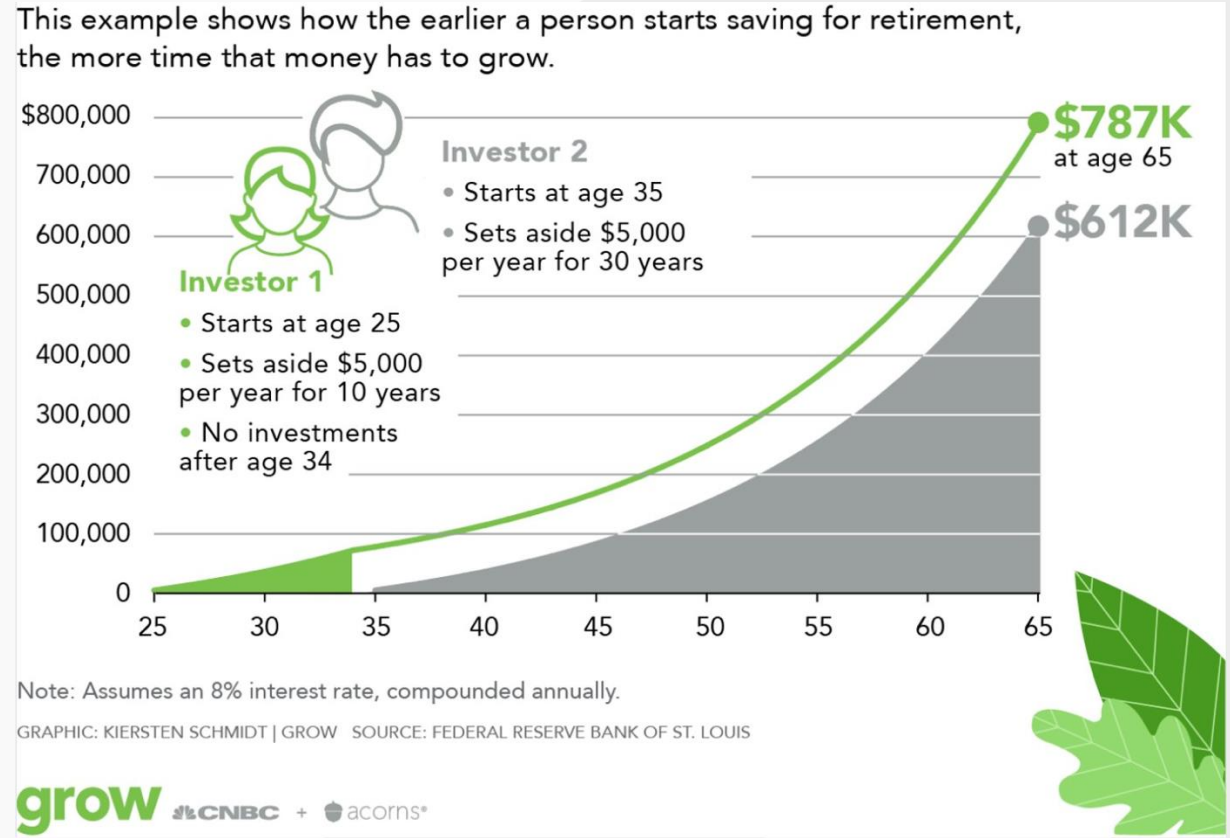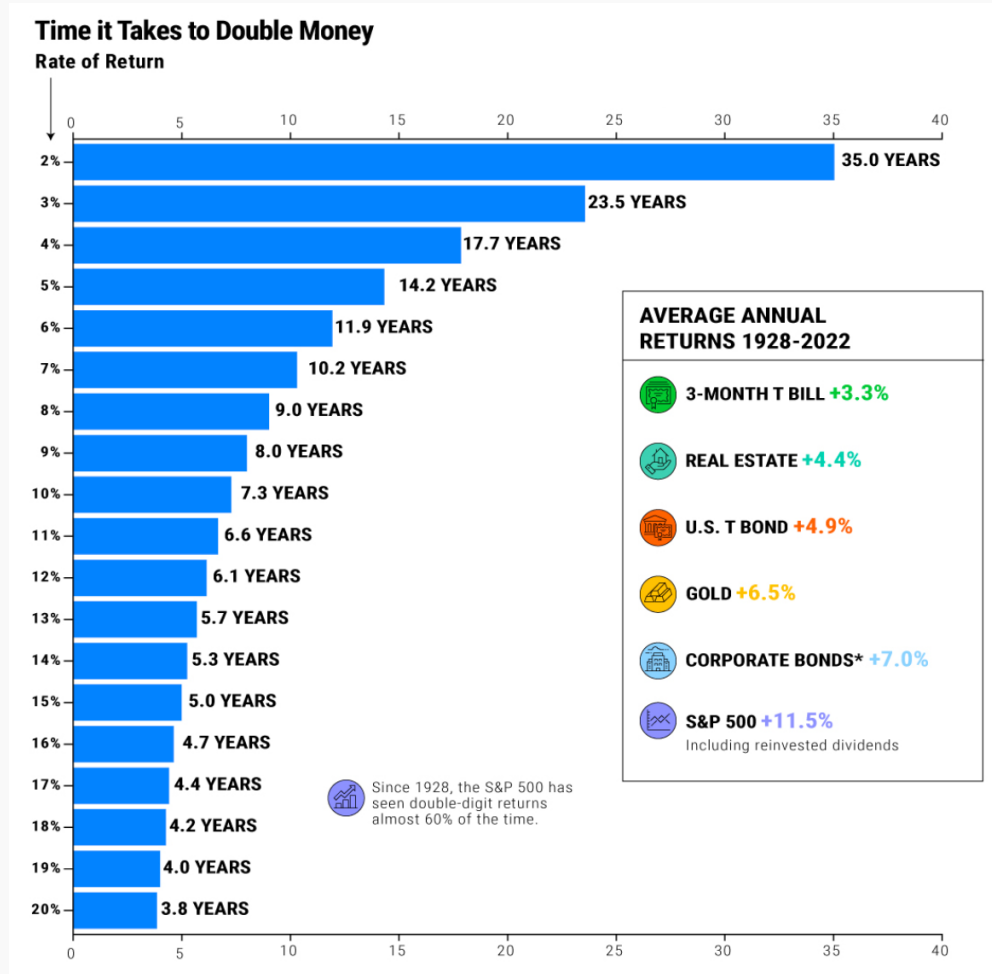# Distribution of S&P 500 Returns

96 years of S&P 500 returns
Bucketing yearly growth rates of the S&P 500

-50 to -40	-40 to -30	-30 to -20	-20 to -10	-10 to 0	0 to 10	10 to 20	20 to 30	30 to 40	40 to 50
1931	2008	2002	2022	2018	2016	2020	2024	1997	1954
	1937	1974	2001	2015	2007	2017	2023	1995	1935
		1930	2000	2011	2005	2014	2021	1975	1933
			1977	1994	2004	2012	2019	1958	
			1973	1990	1993	2010	2013	1945	
			1969	1981	1992	2006	2009		
			1966	1970	1987	1999	2003		
			1962	1960	1984	1988	1998		
			1957	1953	1978	1986	1996		
			1946	1948	1968	1983	1991		
			1941	1939	1965	1982	1989		
			1940	1934	1959	1979	1985		
			1932		1956	1976	1980		
			1929		1947	1972	1967		
						1971	1961		
						1964	1955		
						1963	1950		
						1952	1938		
						1951	1936		
						1949			
						1944			
						1943			
						1942			

MACROBOND

Power of Compounding

Time it Takes to Double Money

Rate of Return

Rate of Return	Years to Double
2%	35.0 YEARS
3%	23.5 YEARS
4%	17.7 YEARS
5%	14.2 YEARS
6%	11.9 YEARS
7%	10.2 YEARS
8%	9.0 YEARS
9%	8.0 YEARS
10%	7.3 YEARS
11%	6.6 YEARS
12%	6.1 YEARS
13%	5.7 YEARS
14%	5.3 YEARS
15%	5.0 YEARS
16%	4.7 YEARS
17%	4.4 YEARS
18%	4.2 YEARS
19%	4.0 YEARS
20%	3.8 YEARS

AVERAGE ANNUAL RETURNS 1928-2022

- 3-MONTH T BILL **+3.3%**
- REAL ESTATE **+4.4%**
- U.S. T BOND **+4.9%**
- GOLD **+6.5%**
- CORPORATE BONDS* **+7.0%**
- S&P 500 **+11.5%**
  Including reinvested dividends

Since 1928, the S&P 500 has seen double-digit returns almost 60% of the time.

This example shows how the earlier a person starts saving for retirement, the more time that money has to grow.

$787K at age 65

$612K

Investor 2
- Starts at age 35
- Sets aside $5,000 per year for 30 years

Investor 1
- Starts at age 25
- Sets aside $5,000 per year for 10 years
- No investments after age 34

Note: Assumes an 8% interest rate, compounded annually.

GRAPHIC: KIERSTEN SCHMIDT | GROW   SOURCE: FEDERAL RESERVE BANK OF ST. LOUIS

grow CNBC + acorns

Drawdowns

Market Corrections Happen Every Year

The average drop is 14%, but the market has been positive 78% of all calendar years since 1980.

ANNUAL S&P 500 PRICE RETURNS AND INTRAYEAR DRAWDOWNS
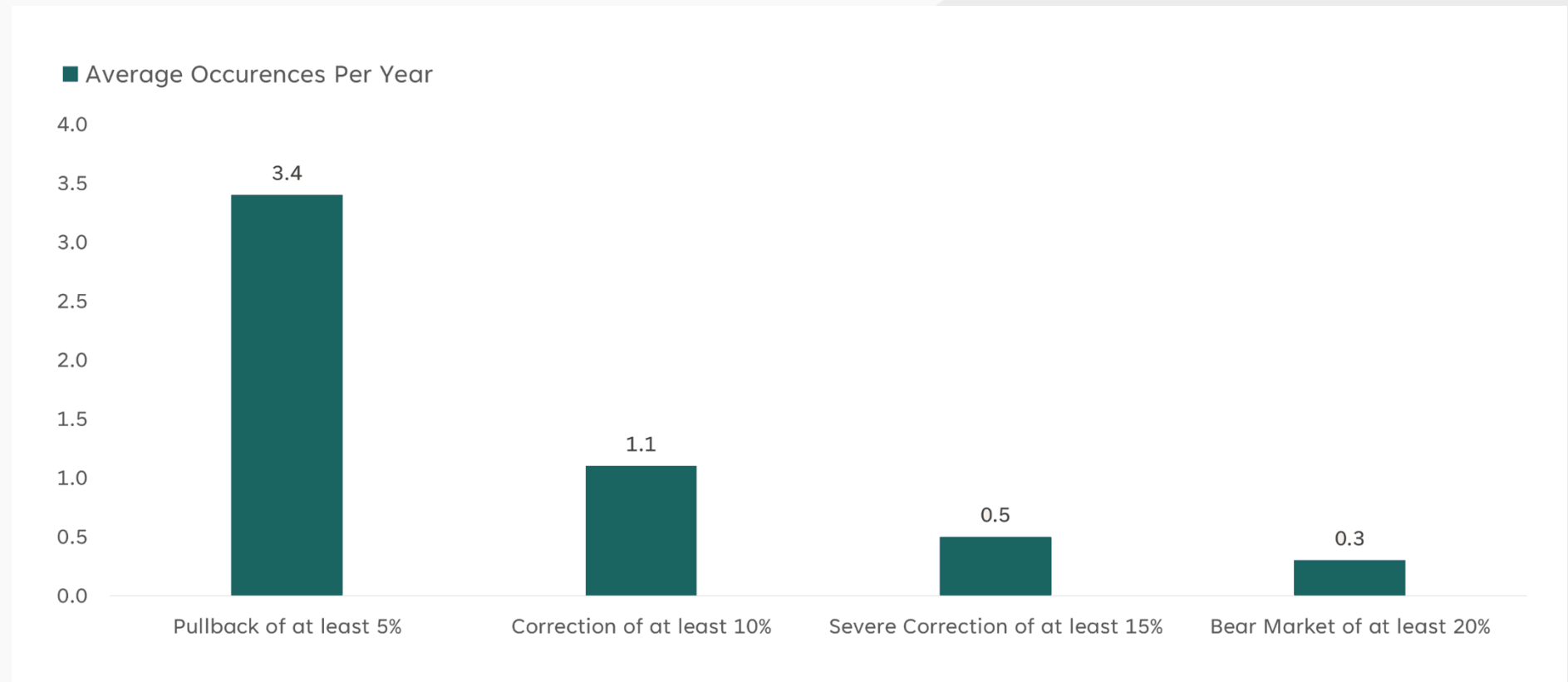
The Market Has Rarely Spent Time in a Major Drawdown

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)

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 150.0%.
- 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.

Chart legend:
- Recession
- Bull Market
- Bear Market

Y-axis: S&P 500 Index Total Return (Logarithmic Scale) — 0.1, 1, 10

Duration
% Total Return
% Annualized*

Bull Market labels:
- 4.1 Yrs / 157.7% / 26.1%
- 1.1 Yrs / 23.9% / 22.1%
- 7.1 Yrs / 267.1% / 20.0%
- 4.1 Yrs / 86.4% / 16.2%
- 3.6 Yrs / 79.8% / 17.6%
- 2.1 Yrs / 48.0% / 20.1%
- 2.6 Yrs / 73.5% / 23.3%
- 6.2 Yrs / 125.6% / 14.1%
- 5.0 Yrs / 228.8% / 26.7%
- 12.3 Yrs / 582.1% / 16.9%
- 3.4 Mos / 21.4%
- 5.0 Yrs / 101.5% / 15.0%
- 1.5 Mos / 24.2%
- 11.0 Yrs / 400.5% / 15.8%
- 1.8 Yrs / 114.4% / 53.5%
- 2.2 Yrs / 64.4% / 25.1%

Bear Market labels:
- 11.6 Mos / -28.5%
- 11.9 Mos / -20.6%
- 1.2 Yrs / -21.6% / -18.1%
- 6.4 Mos / -28.0%
- 7.9 Mos / -22.2%
- 1.5 Yrs / -36.1% / -26.1%
- 1.7 Yrs / -48.2% / -31.7%
- 1.7 Yrs / -27.1% / -16.9%
- 3.3 Mos / -33.5%
- 1.5 Yrs / -36.8% / -26.5%
- 9.0 Mos / -33.8%
- 1.1 Yrs / -51.9% / -48.2%
- 2.0 Mos / -27.6%
- 1.1 Mos / -33.9%
- 9.2 Mos / -25.4%

X-axis years: '42 '44 '46 '48 '50 '52 '54 '56 '58 '60 '62 '64 '66 '68 '70 '72 '74 '76 '78 '80 '82 '84 '86 '88 '90 '92 '94 '96 '98 '00 '02 '04 '06 '08 '10 '12 '14 '16 '18 '20 '22 '24

Source: First Trust

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

Legend: Max Drawdown | 1-Year | 5-Year | 10-Year

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
Max Drawdown	-86%	-29%	-48%	-27%	-33%	-49%	-57%	-34%	-25%
1-Year	123%	19%	38%	58%	21%	34%	69%	75%	22%
5-Year	265%	71%	76%	225%	93%	102%	178%		
10-Year	86%	242%	161%	308%	335%	86%	306%		

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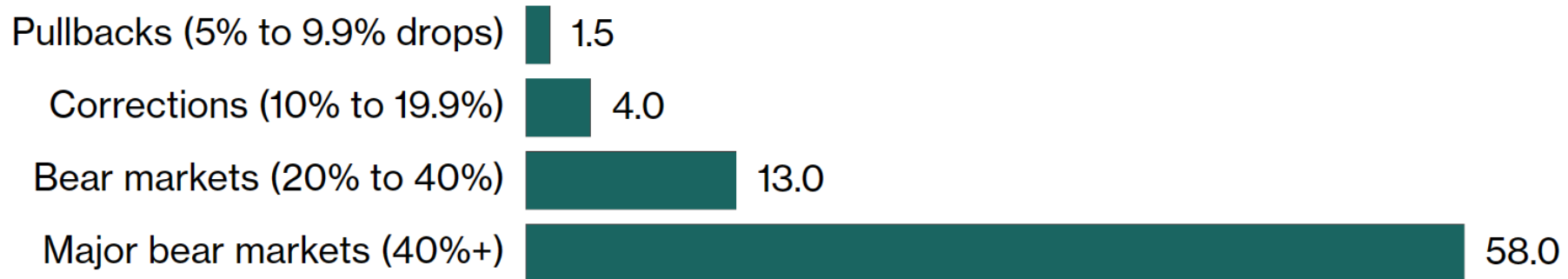
Time in the Market Matters: Stocks Rarely Down When Held For 10+ Years

# 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%													
15	10%	6%	8%	7%	5%	4%	5%	4%	5%	7%	10%	8%	9%	10%	11%	9%	14%														
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%	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

Market Returns During Recessions

Chart 3: Average S&P returns are typically higher towards the end of recessions

Schroders

Legend:
- Average S&P returns during recessions (dark blue)
- Average S&P returns during recessions excluding the Great Depression and GFC (green)

Categories: Total, First 3 months, First 6 months, Last 3 months, Last 6 months

Note: Performance statistics based on daily S&P 500 price returns. For recessions less than 12 months, they are excluded from the first 6 months and last 6 months calculation.
Source: Refinitiv, Yahoo Finance, Schroders Economics Group, 5 December 2022. 606693

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)
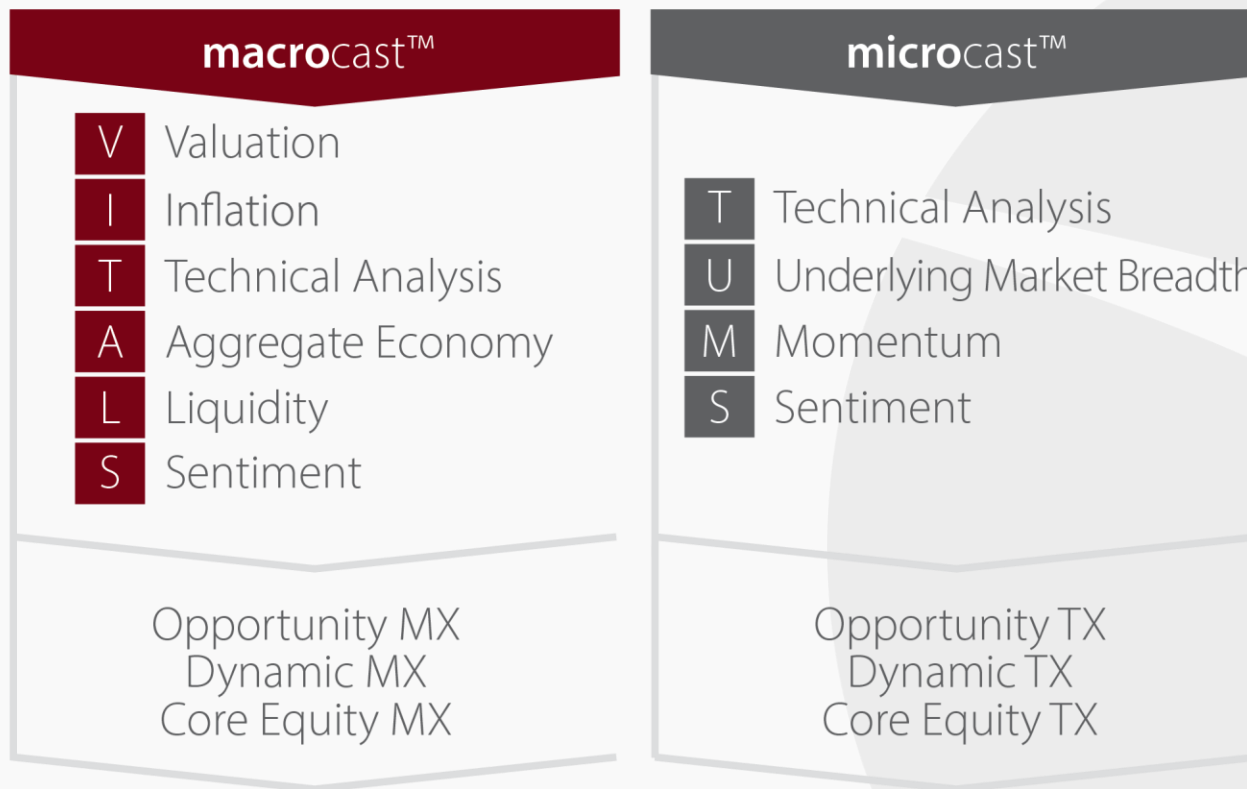
What is macro**cast**™?

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.

VITALS

Inflation
Technical Analysis
Sentiment
Liquidity
Aggregate Economy
Valuation

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.

T U M S

Technical Analysis

Underlying Market Breadth

Momentum

Sentiment

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

1-Year Hypothetical Illustration

Major Selloff (i.e. Covid-19)	Normal Market Correction	Growth	High Growth

- Major Selloff (i.e. Covid-19): -5% (25% Buffer/15% Cap Buffered Outcome ETF), -30% (Reference Asset)
- Normal Market Correction: -5% (25% Buffer/15% Cap Buffered Outcome ETF), -15% (Reference Asset)
- Growth: 8% (25% Buffer/15% Cap Buffered Outcome ETF), 8% (Reference Asset)
- High Growth: 15% (25% Buffer/15% Cap Buffered Outcome ETF), 30% (Reference Asset)

Legend: 25% Buffer/15% Cap Buffered Outcome ETF · Reference Asset

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.
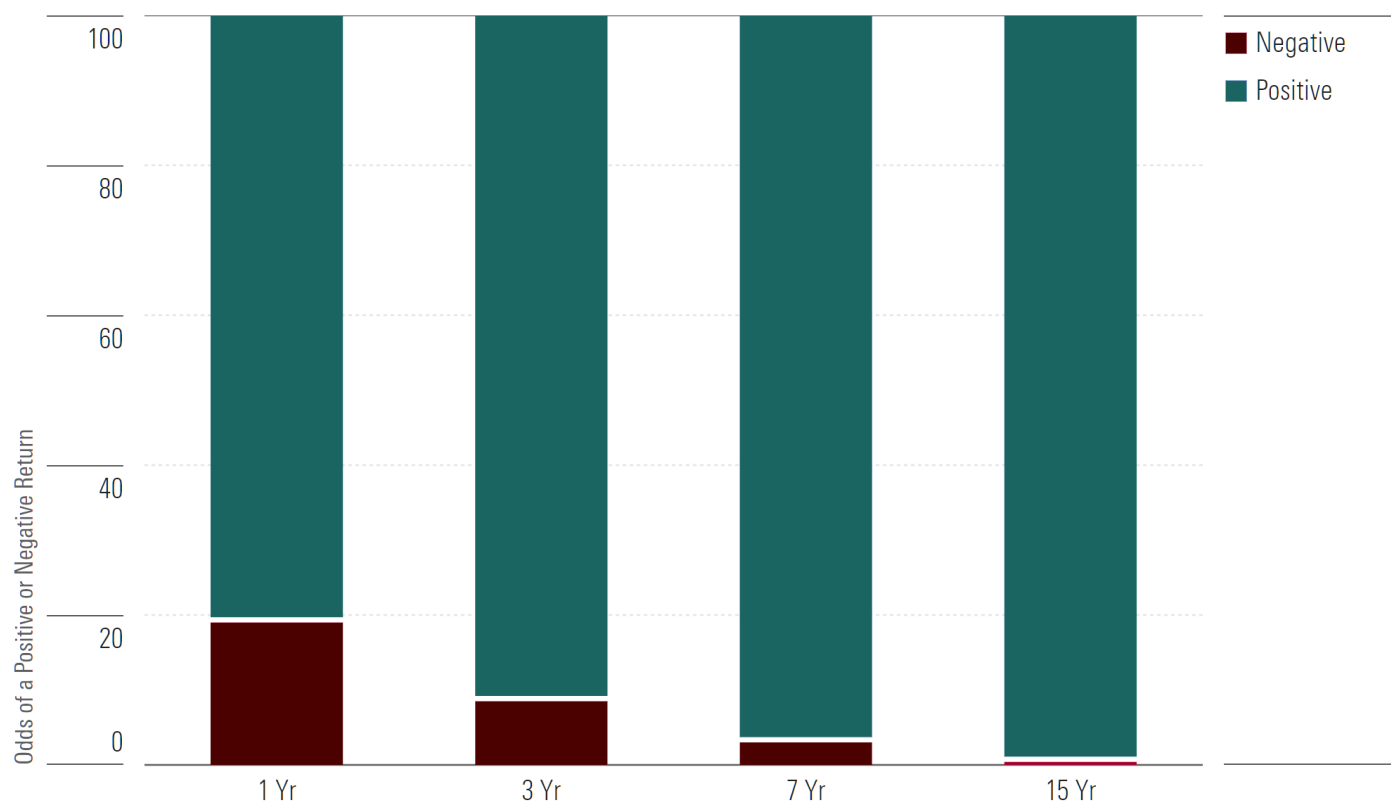
Bonds Can Help Reduce Portfolio Volatility

Range of annual returns (1970-2024)

Best: 37.6%	Best: 35.5%	Best: 33.4%	Best: 31.3%	Best: 29.3%	Best: 27.2%	Best: 26.1%
Avg: 10.9%	Avg: 10.6%	Avg: 10.3%	Avg: 9.9%	Avg: 9.5%	Avg: 9.1%	Avg: 8.6%
Worst: -37.0%	Worst: -32.0%	Worst: -27.0%	Worst: -22.0%	Worst: -17.0%	Worst: -13.7%	Worst: -12.9%
100% Stocks	90% Stocks 10% Bonds	80% Stocks 20% Bonds	70% Stocks 30% Bonds	60% Stocks 40% Bonds	50% Stocks 50% Bonds	40% Stocks 60% Bonds
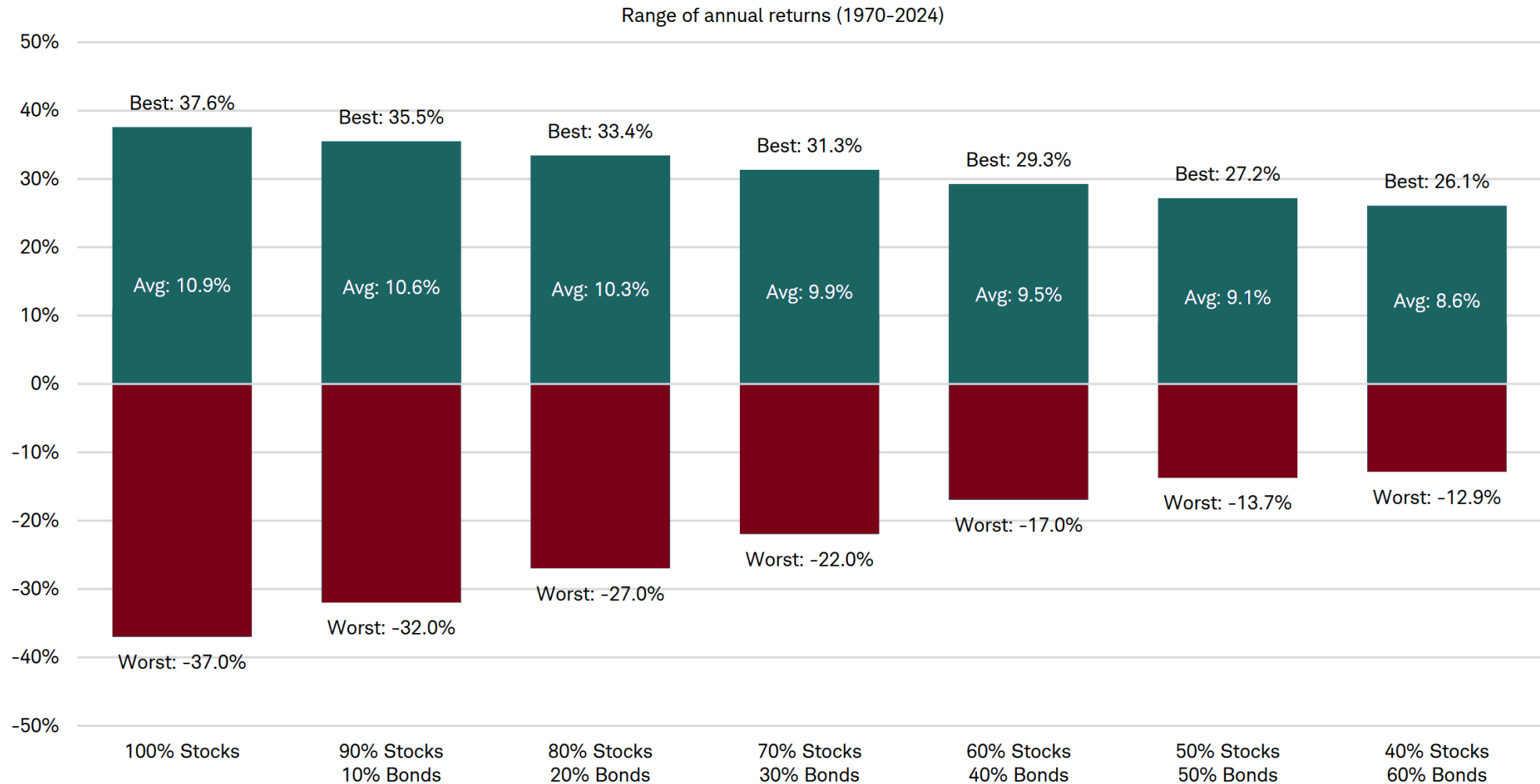
The Odds of Cash Underperforming Are High

Percentage of Times Cash Underperformed the S&P 500
Based on Total Returns for 1990-2024

How often cash underperforms …

1-Year	2-Year	3-Year	5-Year	7-Year	10-Year	15-Year	20-Year
80%	82%	83%	79%	88%	90%	100%	100%

Rolling Periods
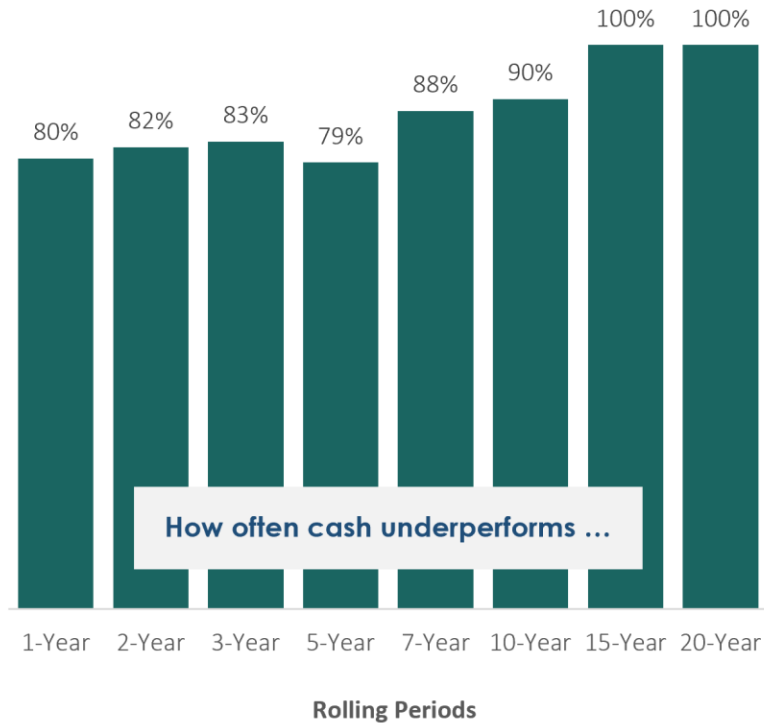
Average Underperformance: Cash vs S&P 500
Relative Total Return for 1990-2024

… and by how much on average

1-Year	2-Year	3-Year	5-Year	7-Year	10-Year	15-Year	20-Year
-9%	-20%	-31%	-60%	-92%	-153%	-225%	-353%

Rolling Periods
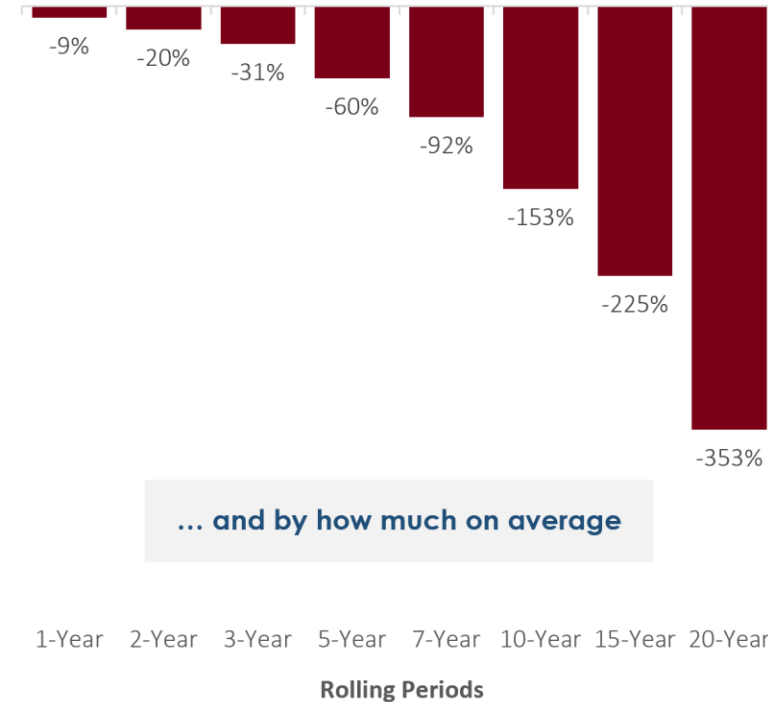
Disclosures: Strictly for illustrative and educational purposes only. This analysis is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. All performance data represents total returns for the stated period. Past performance is no guarantee of future results. Returns are based on monthly data points of rolling total returns with dividends and bond income reinvested. 3-Month U.S. Treasury Bills are used as a proxy for "Cash".

Source: Charles Schwab

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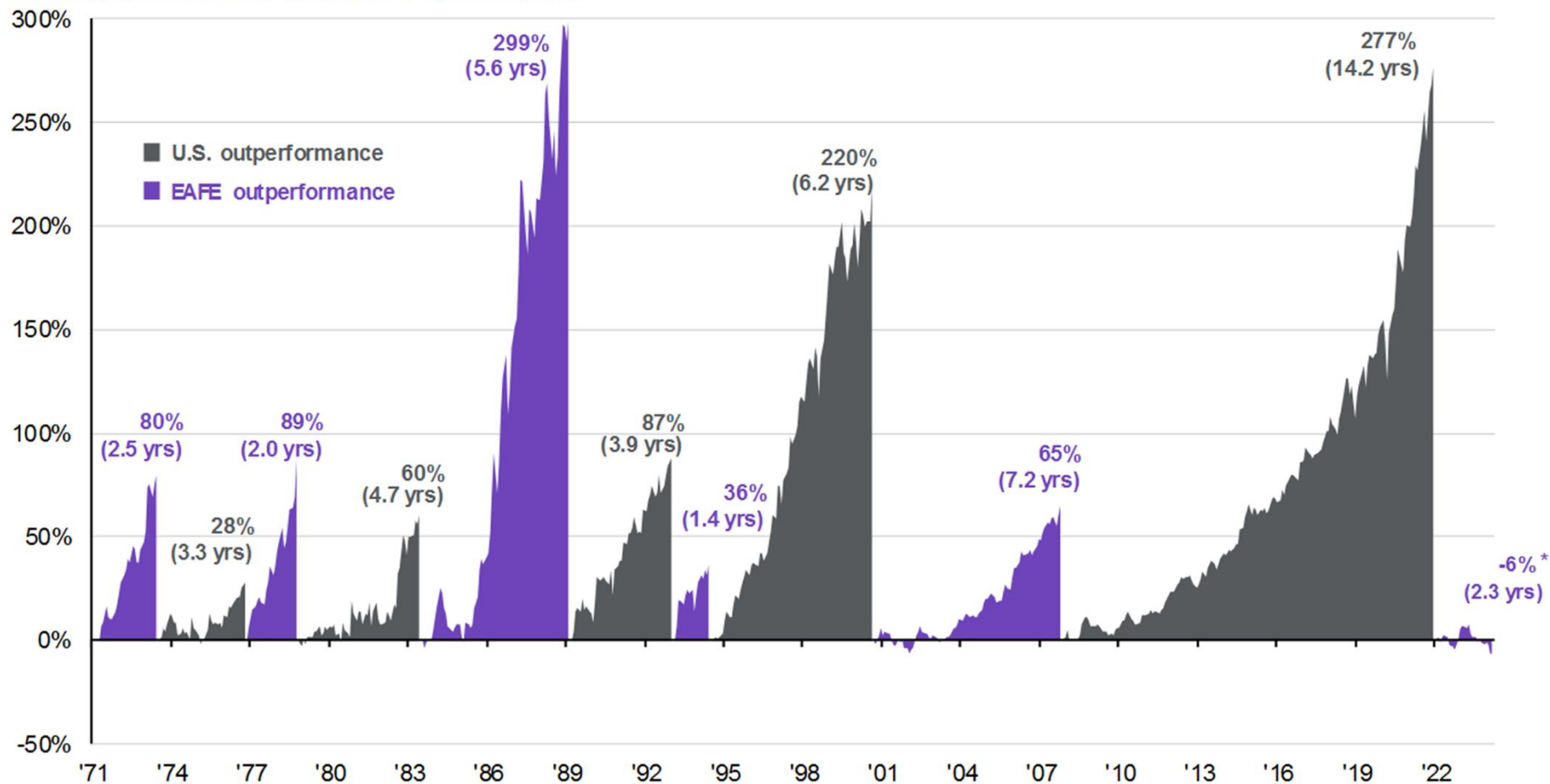
History of the U.S Dollar
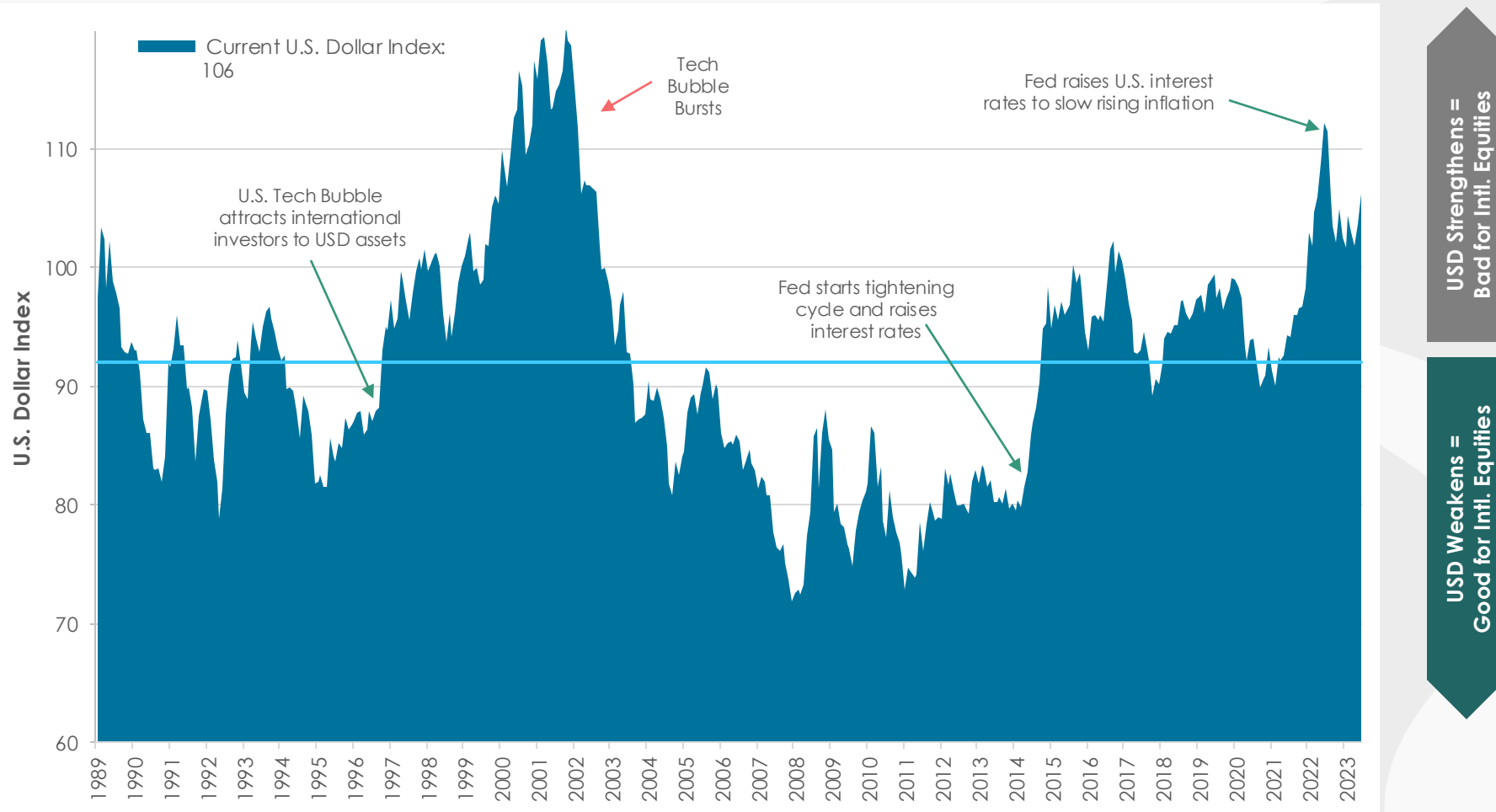
Disclosures: Monthly datapoints from the Federal Reserve. The U.S. Dollar Index is an index of the value of the United States dollar relative to a basket of foreign currencies, often referred to as a basket of U.S. trade partners' currencies, including the Euro, Japanese Yen, British Pound, Canadian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

Source: MarketDesk

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Dollar Cost Averaging vs Lump Sum

DCA Performance Over 24 Months
vs. Lump Sum Investment
S&P 500 Total Return

DCA Outperforms Lump Sum

DCA Underperforms 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.
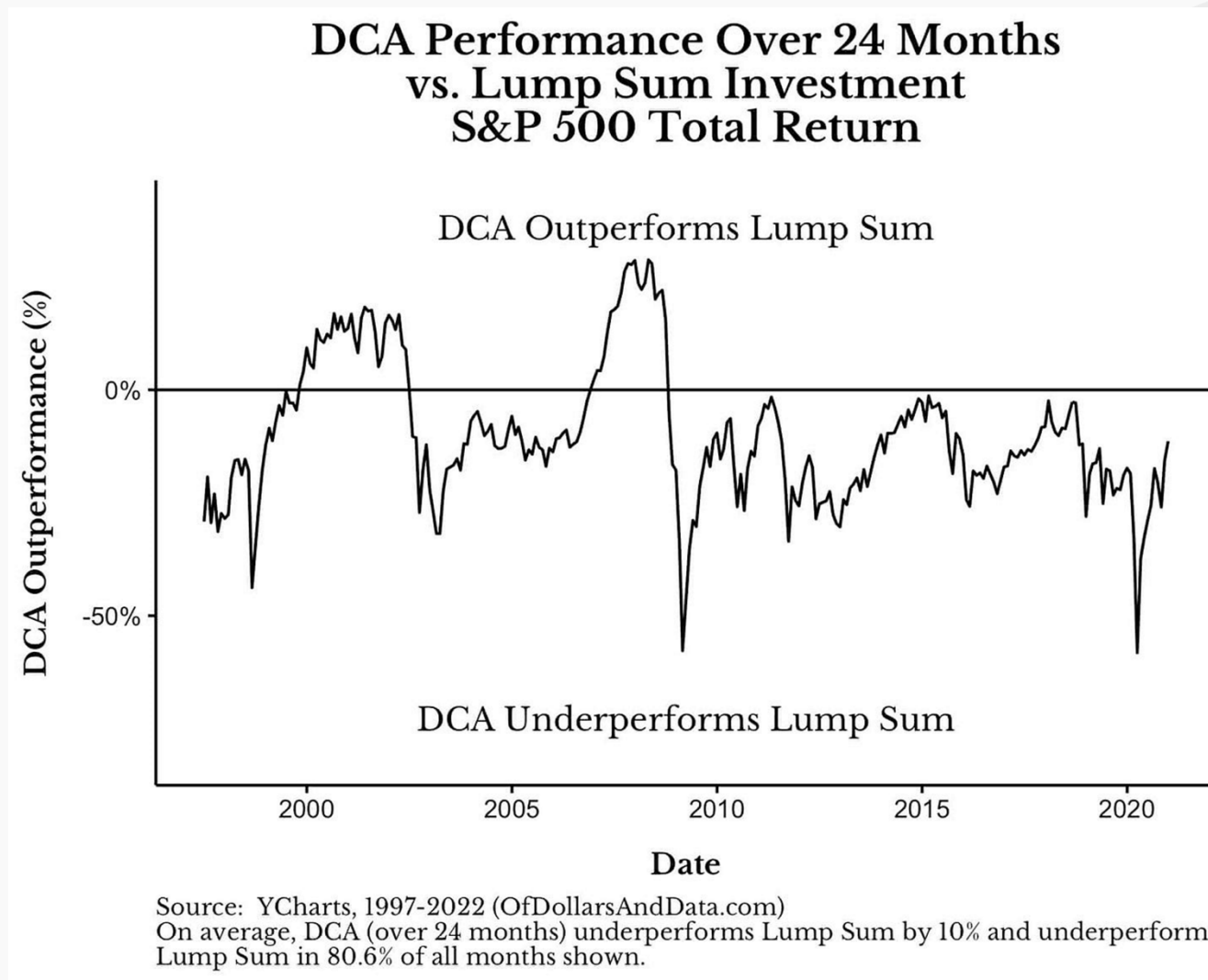
Dollar Cost Averaging vs Lump Sum

LS mostly outperforms CA, but CA still largely beats cash

Historical probability of outperformance

Lump-sum investing versus cost averaging

Lump-sum outperforms cost averaging

68% of the time
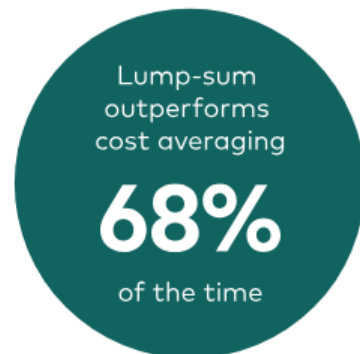
Cost averaging versus cash

Cost averaging outperforms cash

69% of the time

Lump-sum investing versus cash

Lump-sum outperforms cash

70% of the time
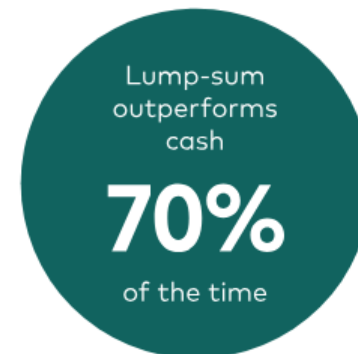
Corbett Road Asset Allocation

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.

Most Aggressive (100/0)

Aggressive Growth (80/20)

Growth (70/30)

Growth w/Income (60/40)

Balanced (50/50)

Moderate (40/60)

Mod. Conservative (30/70)

Conservative (20/80)

Stock   Fixed Income/Cash

Disponibilità

Thank You