<u>The Negative effects of trying to time markets during turbulent times</u>

The table below shows that missing the 40 worst days in the IFA SP 500 Index during a 20-year period (through 2019) would've increased investment returns by nearly 991% as compared to a buy-and-hold investor's gains. While increasing returns by so much sounds attractive, on average an investor would've had to pick the two worst days a year -- for 20 consecutive years.

The Allure of Market Timing: Missing the Worst Days

20 Years (1/1/2000 - 12/31/2019)

SP $10,000 Invested in IFA SP 500 Index*	Annualized Return	Value of $10k at the End of the Period	Gain/Loss	Impact of Missing Days
All 5,035 Trading Days	6.02%	$32,192.93	$22,192.93	--
Less the 5 days with the biggest losses	8.30%	$49,300.06	$39,300.06	77.08%
Less the 10 days with the biggest losses	10.01%	$67,338.55	$57,338.55	158.36%
Less the 20 days with the biggest losses	12.81%	$111,428.95	$101,428.95	357.03%
Less the 40 days with the biggest losses	17.51%	$252,117.29	$242,117.29	990.97%

*Return data in the IFA SP 500 Index includes the daily returns from DFUSX from 1/2000-6/2017 and SWPPX from 7/2017 to present. | HYPOTHETICAL backtested performance is provided for illustrative purposes only, it does not represent the actual performance of any client portfolio or account and it should not be interpreted as an indication of such past or future performance. The actual performance realized by an investor may be more or less than amounts illustrated and could change the outcome of the HYPOTHETICAL illustration above.For HYPOTHETICAL back-tested performance data shown in this chart, including sources, updates, and important disclosures, see ifabt.com. Indexes are labeled with letters to designate the index name and are defined at indexdescriptions.com. The IFA Indexes include several stock and bond indexes that represent a monthly data series that begins with index data from various sources on January 1, 1928. The construction of IFA Indexes data introduces live mutual fund data of funds that are similar to the preceding index upon the inception date of the funds and uses that monthly mutual fund data up to the current month. The HYPOTHETICAL back-tested performance of the indexes was achieved with the benefit of hindsight; it does not represent actual investment strategies for the entire period; and it does not reflect the impact that economic and market factors may have had on the advisor's decision making if the advisor were actually managing client money during the period shown. Unless indicated otherwise, the performance of the IFA Indexes when shown individually, does reflect the deduction of mutual fund fees, include reinvestment of dividends and capital gains but does not include the deduction of IFA advisory fees, transaction costs or taxes, which if included, would lower performance. IFA Indexes were created by IFA in 2000.

By contrast, investors who weren't on the right side of trades in both instances -- jumping in and out -- faced even more damage. As illustrated below, the flip side of the coin is that missing out on 40 of blue chip stocks' best days would've resulted in a triple-digit percentage loss. In other words, if an investor on average missed just the two best trading days each year over the course of 20 straight years, returns would go from positive to starkly negative.

The Problem With Market Timing: Missing The Best Days

20 Years (1/1/2000 - 12/31/2019)

SP $10,000 Invested in IFA SP 500 Index*	Annualized Return	Value of $10k at the End of the Period	Gain/Loss	Impact of Missing Days
All 5,035 Trading Days	6.02%	$32,192.93	$22,192.93	--
Less the 5 days with the biggest gains	3.87%	$21,359.95	$11,359.95	-48.81%
Less the 10 days with the biggest gains	2.42%	$16,122.15	$6,122.15	-72.41%
Less the 20 days with the biggest gains	0.07%	$10,145.77	$145.77	-99.34%
Less the 40 days with the biggest gains	-3.79%	$4,615.42	-$5,384.58	-124.26%

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