Source: Morningstar Direct. Stocks represented by the S&P 500 TR Index. Chart shows the average of calendar year returns from 1990-2019 using daily data, and eliminating the the specified number of the highest return days.

January 22, 2023

<<First Name>>,

A very little known fact: most of your stock market investment returns each year come from just 3 or 4 days (S&P 500). And if you miss those days, your return could be 0% or negative. The graph above illustrates the average annual return on the S&P 500 going back thirty years, +11.45% per year (on the far left of the bar graph).

It also shows what happens to the average annual return if the best days each year are stripped out. If the one best day of each year is missed, the average return declines by a third to 7.72% per year. If the 2 best days are missed, the return is more than cut in half! If an investor misses the 4 best days each year, the average annual return over a 30 yr. period becomes negative!

Staying committed to your investment strategy takes courage during times of volatility and down markets. But riding through the volatility (assuming you have a good investment strategy) is the only way to earn the higher long-term returns. When markets are getting hammered like 2022, many investors panic and sell their investments to sit their money on the sidelines.

They want the “dust to settle” and for “things to calm down and get better” before they are ready to dip their toes back in. The problem with this approach is that by the time things are “calm” and "look better" again, the market has already rallied substantially.

Covid March 2020 Example:

🚀1 day after S&P 500 hit the low point, market jumped up 9%

🚀3 days after, the market was up 17%

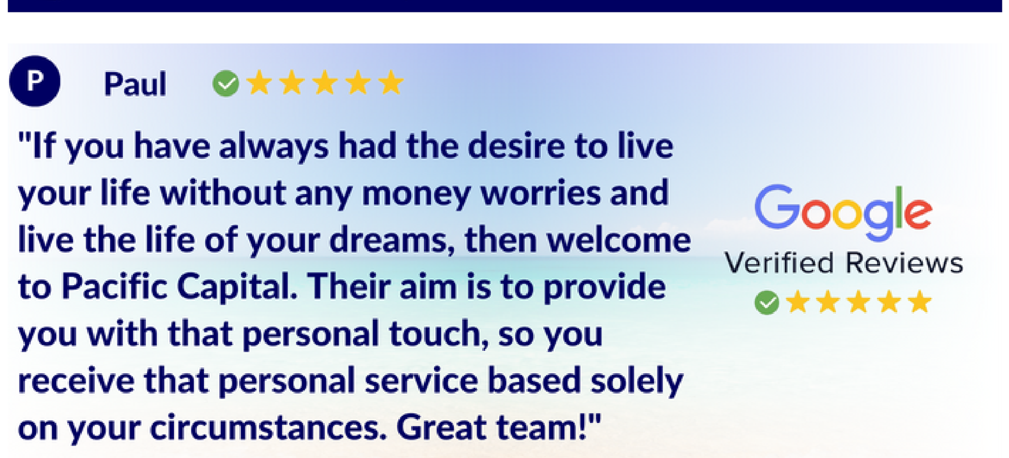
🚀2 months after, S&P 500 went up 36%

The big drops and high bounce recovery days are totally unpredictable. Staying invested allows you to capture that upside growth each year. Do not jump off a roller coaster in the middle of the ride. When the flight is turbulent, don't jump out of the plane or go grab the controls in the cockpit.

Stay calm. Stay invested. Reminder: All successful investing is goal-focused and plan-driven. All unsuccessful investing is market-focused and emotionally-driven.

Successful investing is based on continually acting on your plan, while unsuccessful investing is based on acting on current-events and media hype. If you have questions about how your current investment strategy could be better aligned with your goals, [click here to chat with our team](#)!

Sincerely,



Schedule a Call

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