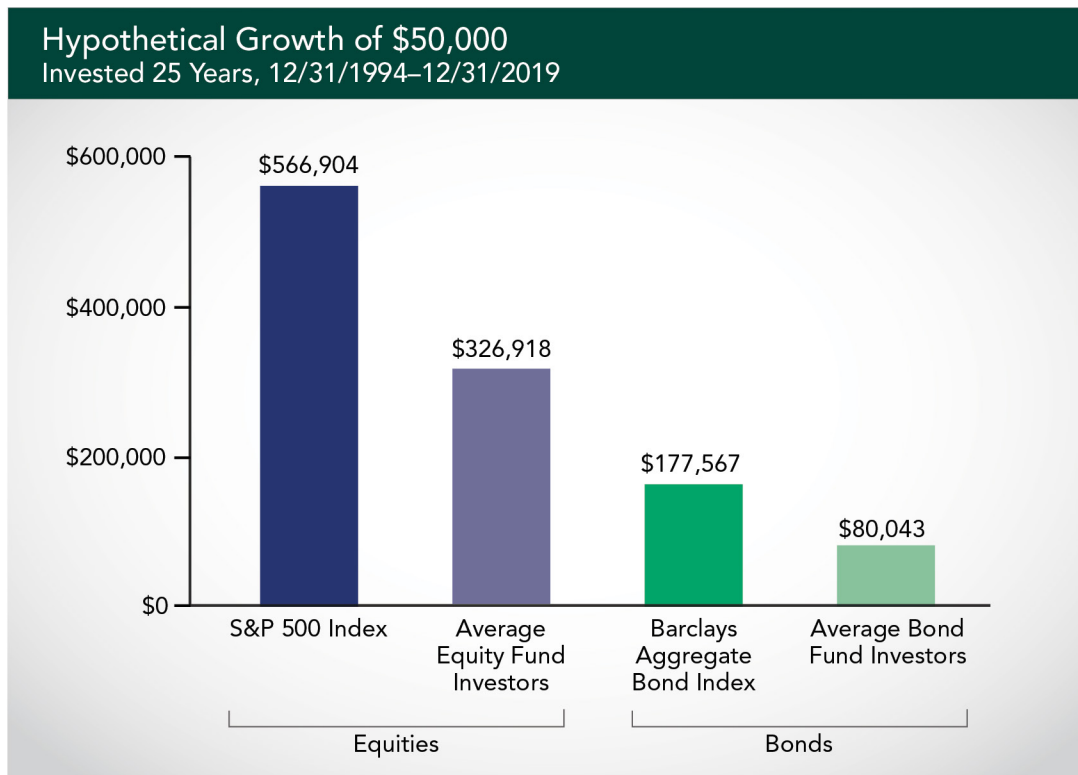


WHY INVESTORS MISS THE MARK

Human Behavior Leads to Underperformance

The Quantitative Analysis of Investor Behavior (QAIB), a study by market research firm DALBAR, Inc., compared the returns of stock markets, bond markets and mutual fund investors over a 25 year period, ending December 31, 2019. The report found most investors typically held their mutual funds for an average of 4.5 years, which caused their performance to lag the market over the last 25 years. QAIB data show equity fund investors had an annualized 7.8% return versus the S&P 500's 10.2%. Similarly, bond fund investors earned an annualized return of 1.9% versus the Barclays US Aggregate Treasury Index's 5.2%. This underperformance was attributed to "psychological factors," i.e., poor market timing. Investors regularly missed market gains due to loss aversion or assumed excessive risk due to optimism. And as DALBAR's data shows, mistakes in market timing can hamper reaching your longer term goals and objectives.



Source: "Quantitative Analysis of Investor Behavior, 2020," DALBAR, Inc. www.dalbar.com. Calculation and illustration altered to reflect the hypothetical growth of \$50,000 rather than the original DALBAR study amount of \$1,000,000.