

Shifting Allocations is the Wrong Strategy

The background of the slide is a complex financial visualization. It features multiple overlapping line charts in shades of red, purple, and blue, showing various trends and fluctuations. Superimposed on these are numerous vertical bars of varying heights, creating a bar chart effect. The overall color palette is dominated by blues and purples, with a bright light flare effect on the right side, suggesting a high-tech or data-driven environment.

Shifting Portfolio Allocations is the Wrong Strategy

Buy, Hold, and Rebalance Wins

Annualized Return through Dec 31, 2024	1 year	3 Year	5 Year	10 Year	20 Year
Tactical Asset Allocation	10.20	1.26	5.20	4.60	4.97
Balanced (60% Eq. / 40% Bonds)	15.00	4.10	8.40	8.27	7.81
Tactical Underperformance	-4.80	-2.84	-3.20	-3.67	-2.84

Source: Morningstar Direct. Data as of December 31, 2024, US TAA Strategies

Key Recommendations

1. Tune out the noise and stay clear of pitfalls
2. Stay fully invested – to your long-term plan
3. Focus on the things you can control:
 - A. Your long-term asset allocation
 - B. Your spending & lifestyle choices
 - C. Your investment behaviours (stay in your seat during market dips and add \$, do not chase returns and do not speculate)

Abundant trading opportunities

Oct 2007 - Mar 2009 **Credit Crisis** -56%

Apr 2010 - Jul 2010 **Greece fears** -16%

Apr 2011 - Oct 2011 **US Debt Ceiling** -19%

May 2015 - Feb 2016 **China growth crisis** -14%

Jan 2018 - Feb 2018 **Interest rate hikes** -10%

Feb 2020 - Mar 2020 **Covid 19 pandemic** - 34%

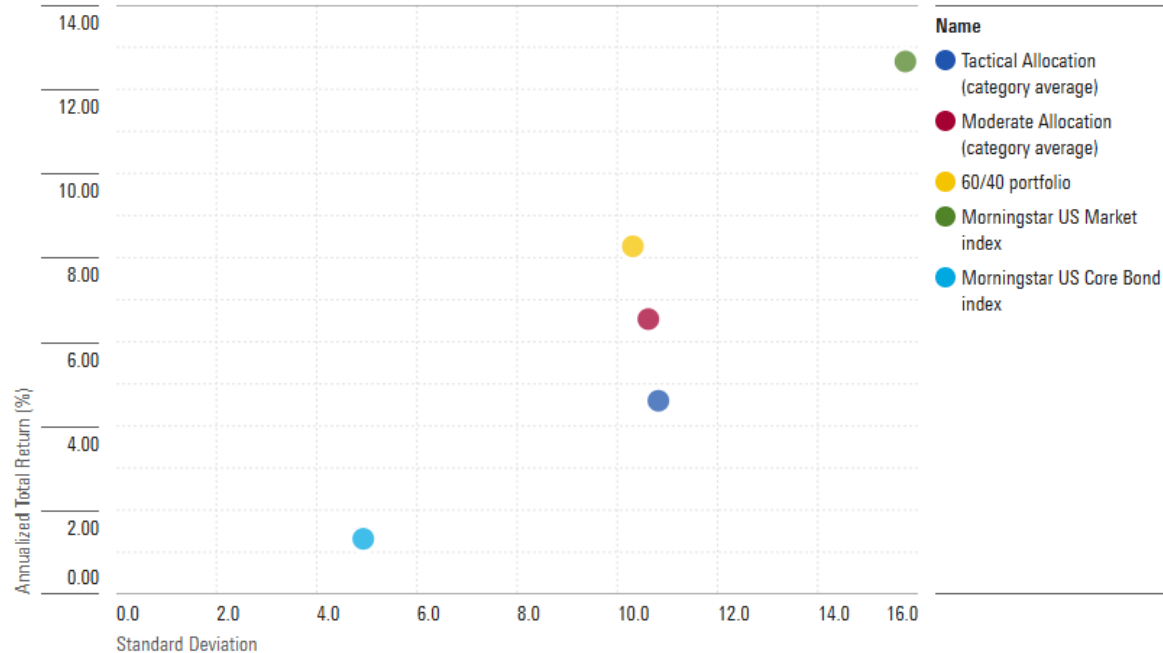
Jan 2022 - Feb 2022 **Russia-Ukraine war** -15%

Jan 2022 - Oct 2022 **Rising inflation** -25%

Feb 2025 - now **Trade tensions** -10%

Not only are the return lower, but they are also riskier

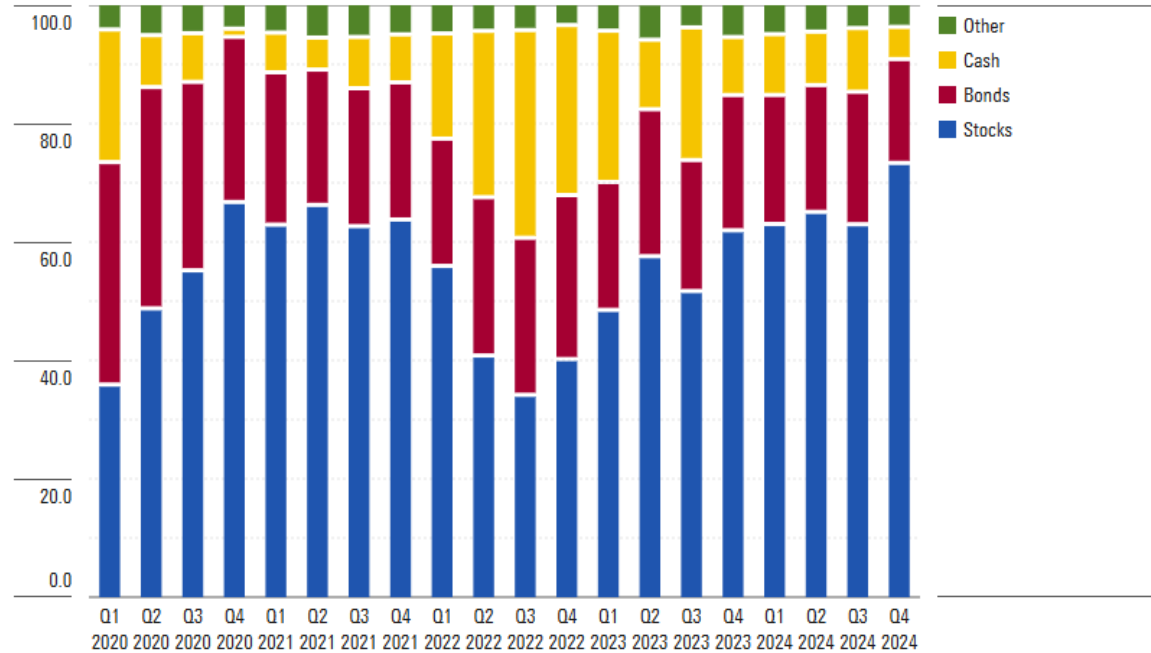
Risk vs. Reward (Trailing 10 Years)



Source: Morningstar Direct. Data as of 12/31/2024.

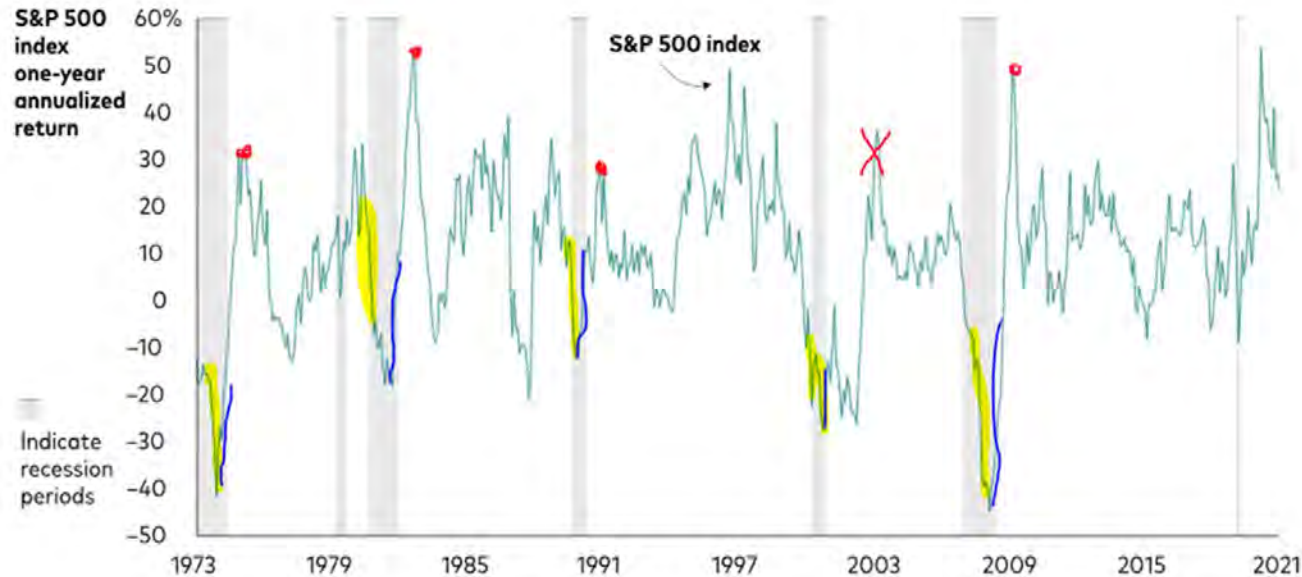
Underweighted in equities at the wrong time

Historical Asset Allocation (% of Assets)



Source: Morningstar Direct. Data as of 12/31/2024.

To Shift \$ Successfully – Investors Need to get 2 Trades Correct



- Stocks decrease in value well before the economy does.
- Stocks increase in value well before the economy “feels good” and often while we are still in a recession. —————
- One year after the recession is too late to invest. The biggest upside has already occurred. ●