



Market Chartbook

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January 1, 2024



Stocks Since the Great Depression

S&P 500 Index since 1928 (Log Scale)



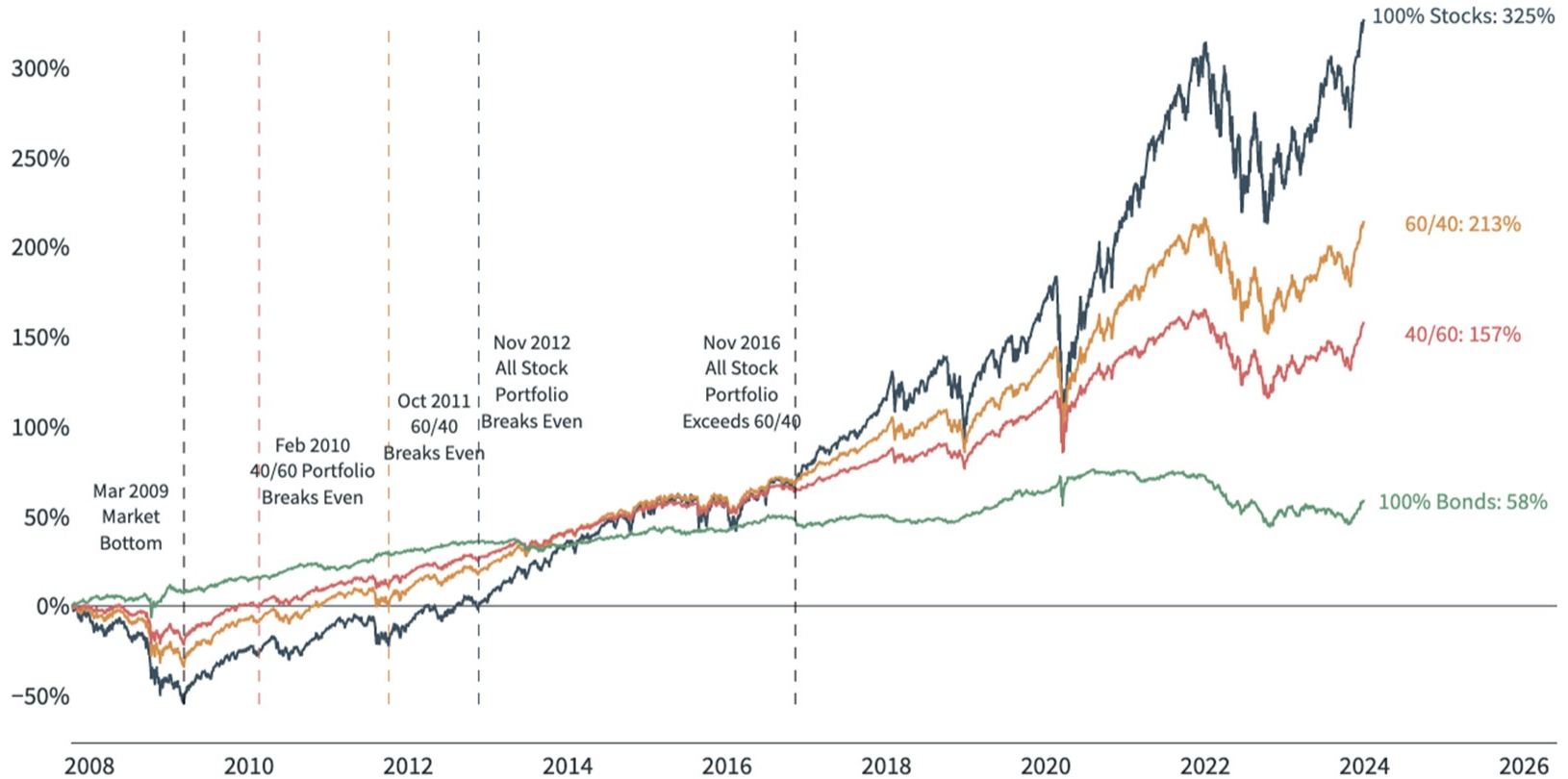
Latest data point is Dec 29, 2023

- The stock market has performed extremely well since the Great Depression - a nearly century-long period.
- This occurred despite problems along the way throughout the 20th and early 21st century.
- Investors should focus on the long run in order to benefit from growth.



Asset Allocation Performance

Total returns of hypothetical stock/bond portfolios since 2007 pre-financial crisis peak using the S&P 500 and iShares Core U.S. Bond indices, before expenses and fees

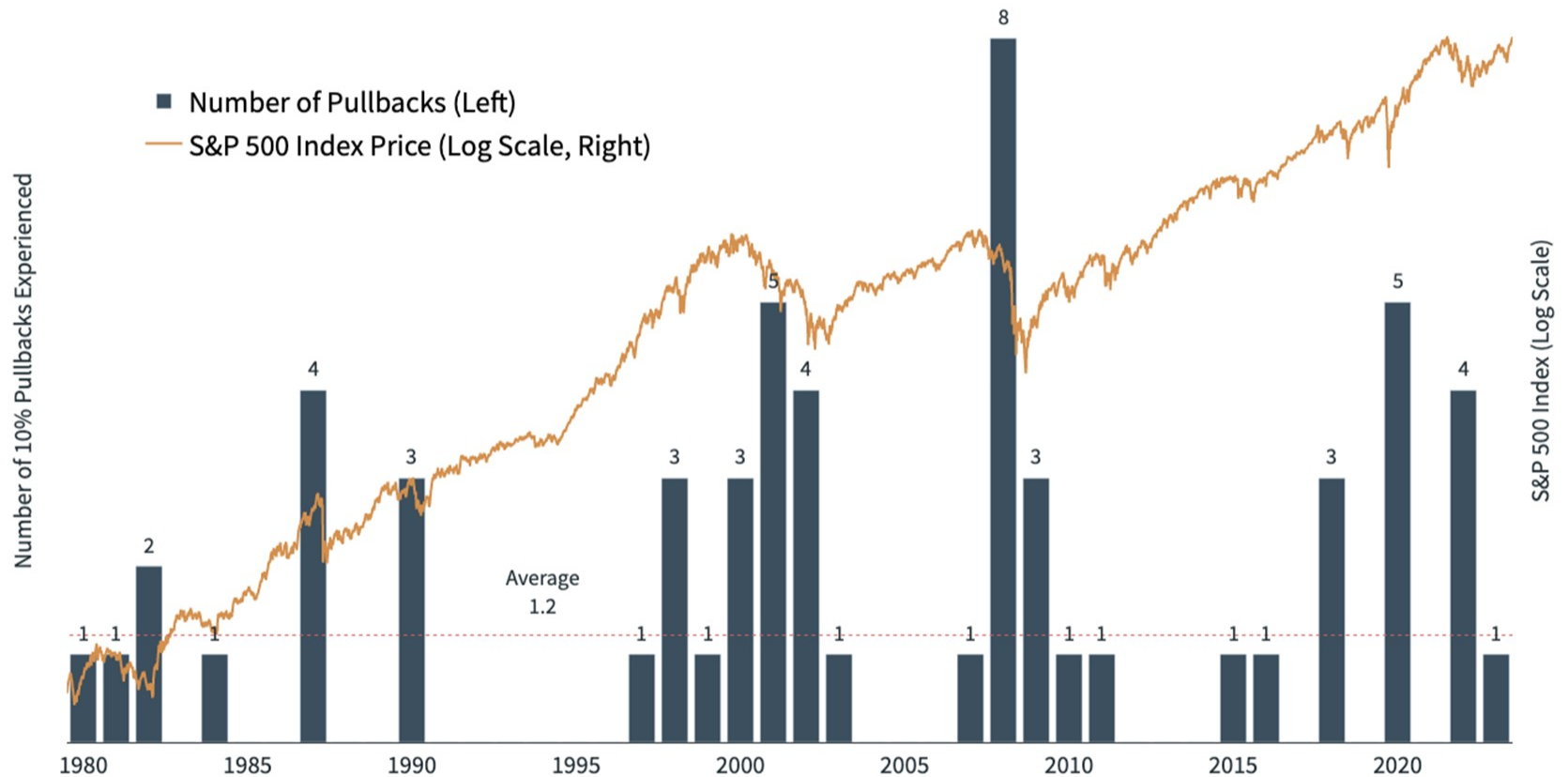


Latest data point is Dec 29, 2023

- This chart shows the performance of various asset allocations during bear markets.
- Holding an appropriately diversified portfolio creates a much smoother ride.
- In fact, these portfolios have done well even against a 100% stock portfolio.

Stock Market Pullbacks

The number of 10% S&P 500 pullbacks experienced by investors each year



Latest data point is Dec 29, 2023

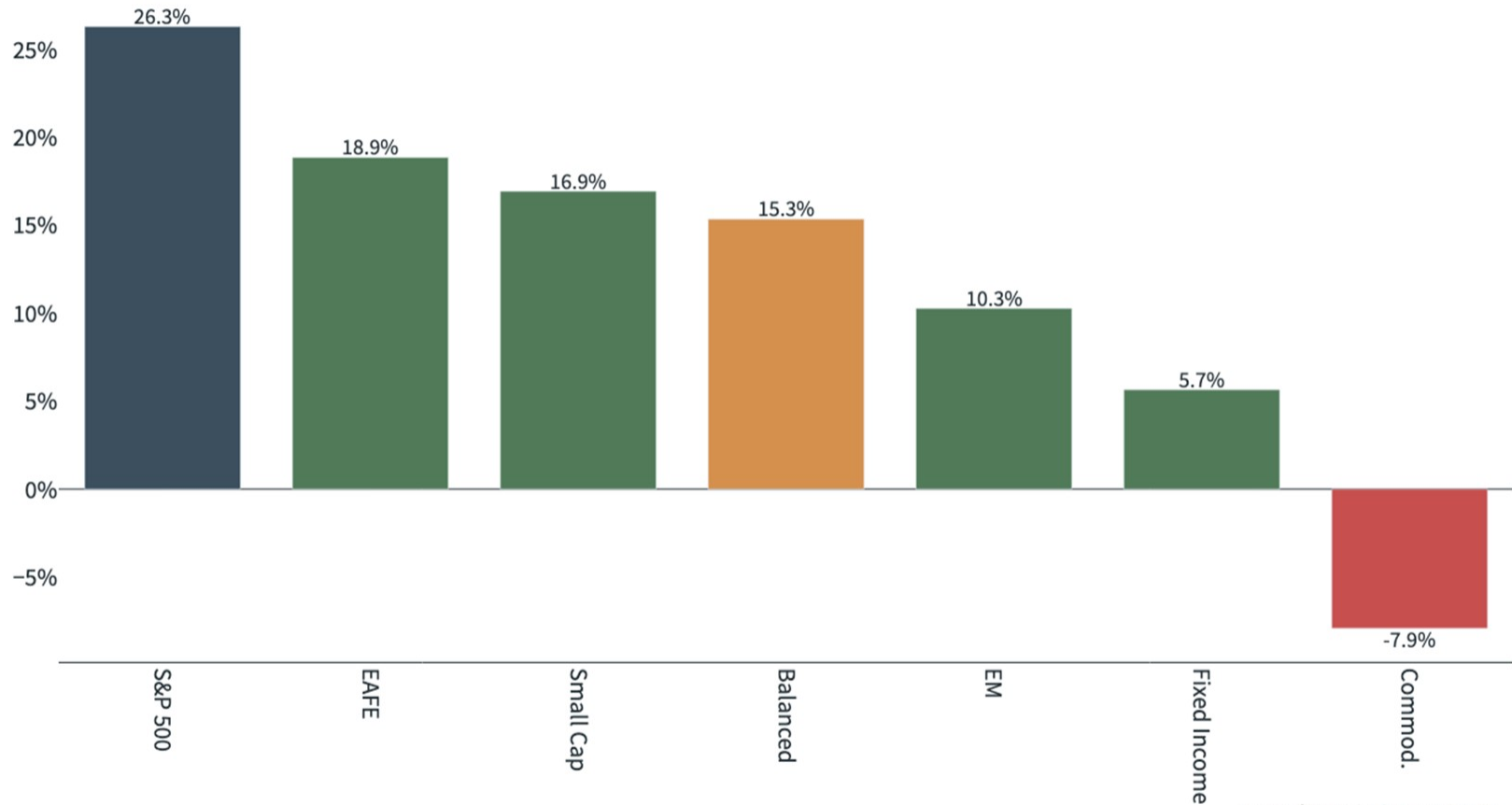
- Many years with both positive and negative total returns experience multiple market pullbacks of 10% or more.
- It's important for investors to stay focused during these periods in order to achieve their financial goals.

Sources: Clearnomics, Standard & Poor's



Asset Class Performance Year-to-Date

Total Returns



Latest data point is Dec 29, 2023

The Balanced Portfolio is a hypothetical 60/40 portfolio consisting of 40% U.S. Large Cap, 5% Small Cap, 10% International Developed Equities, 5% Emerging Market Equities, 35% U.S. Bonds, and 5% Commodities.

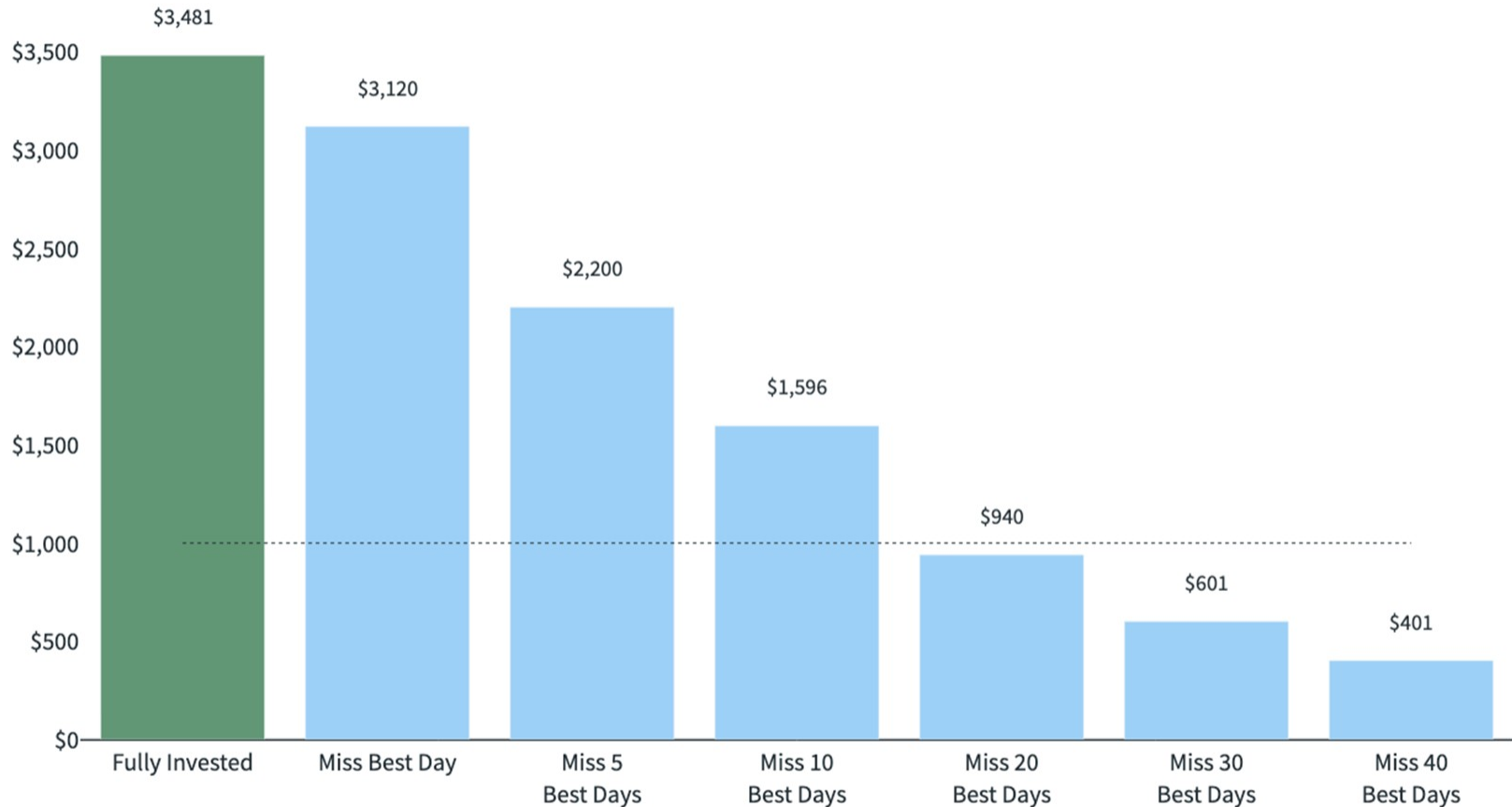
Sources: Clearnomics, LSEG

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Staying Invested: Missing the Best Days

*The impact of missing the best market days over the past 25 years
Based on an initial \$1,000 investment using S&P 500 returns before transaction costs*



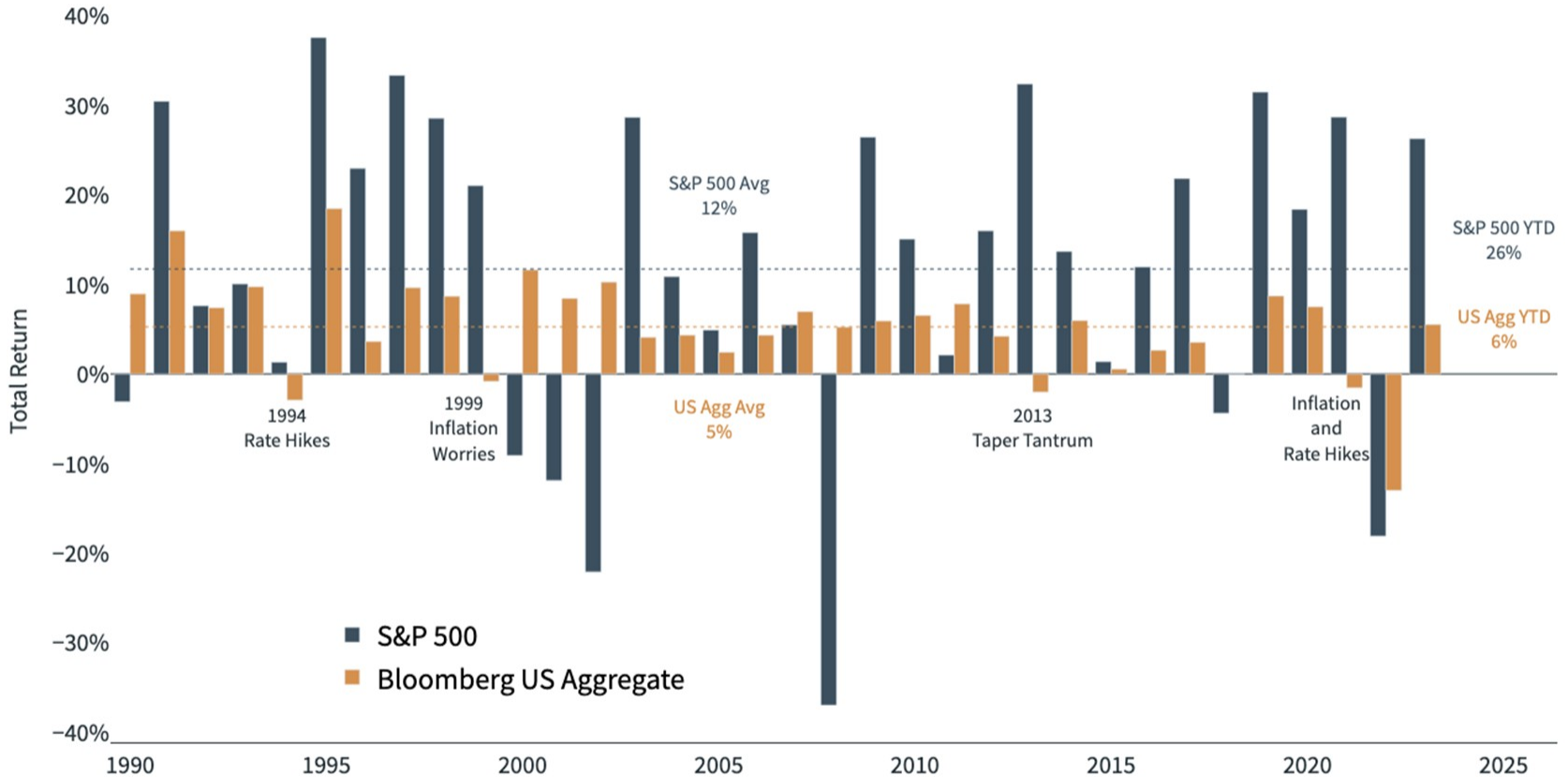
Latest data point is Dec 29, 2023

- Staying invested is a key principle of long-term financial success.
- This chart shows the impact of missing the best market days over the past 25 years.
- Staying invested through ups and downs can make a significant difference in final investment outcomes.

Sources: Clearnomics, Standard & Poor's

Stock and Bond Annual Returns

S&P 500 and Bloomberg U.S. Aggregate Total Returns



Latest data point is Dec 29, 2023

- Stocks and bonds have both struggled recently due to rising inflation and interest rates.
- This breaks the historical pattern driven by falling bond yields which supported bond prices.
- Despite this challenging period, investors should continue to focus on diversification as interest rates stabilize.

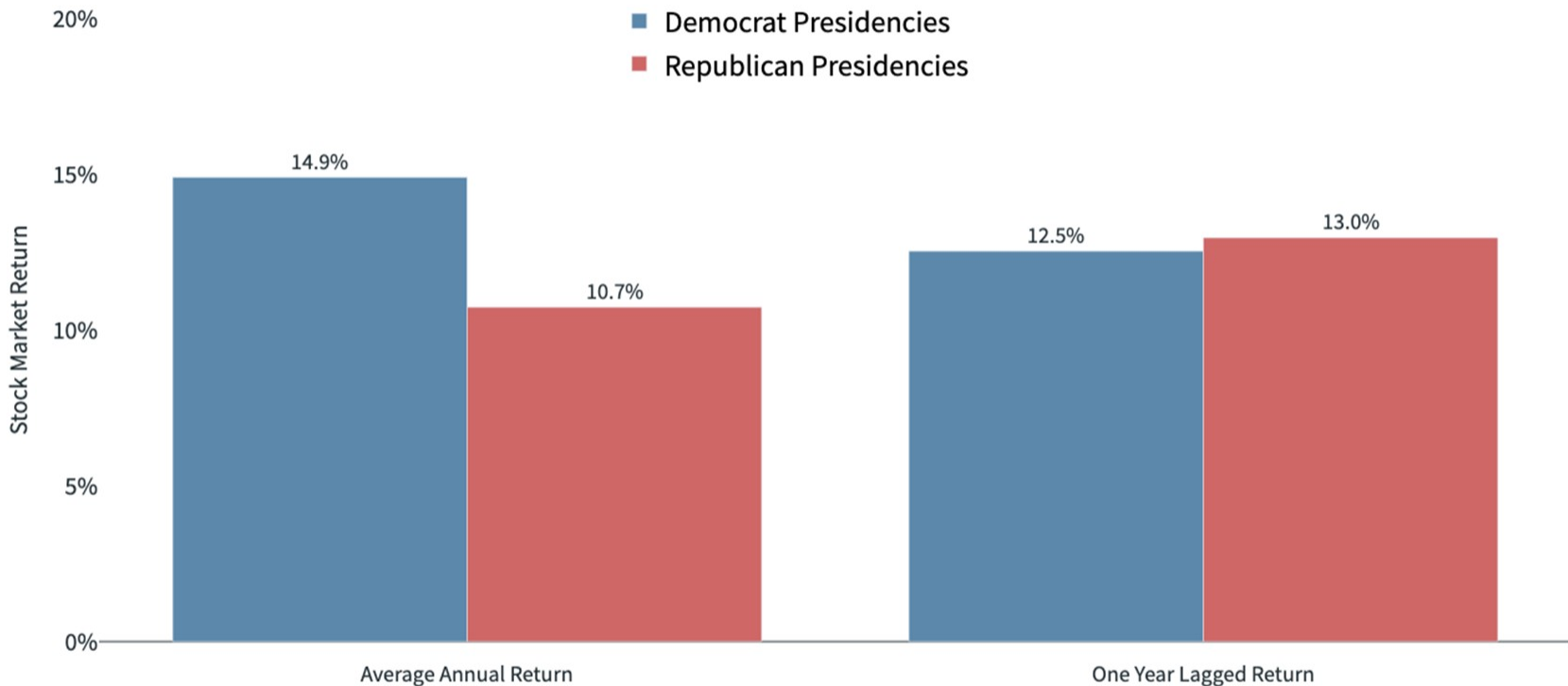
Sources: Clearnomics, Standard & Poor's, Bloomberg

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Presidential Elections and Stocks

S&P 500 total returns by presidential party

Returns during presidency and lagged one year since 1933



Latest data point is Dec 2021

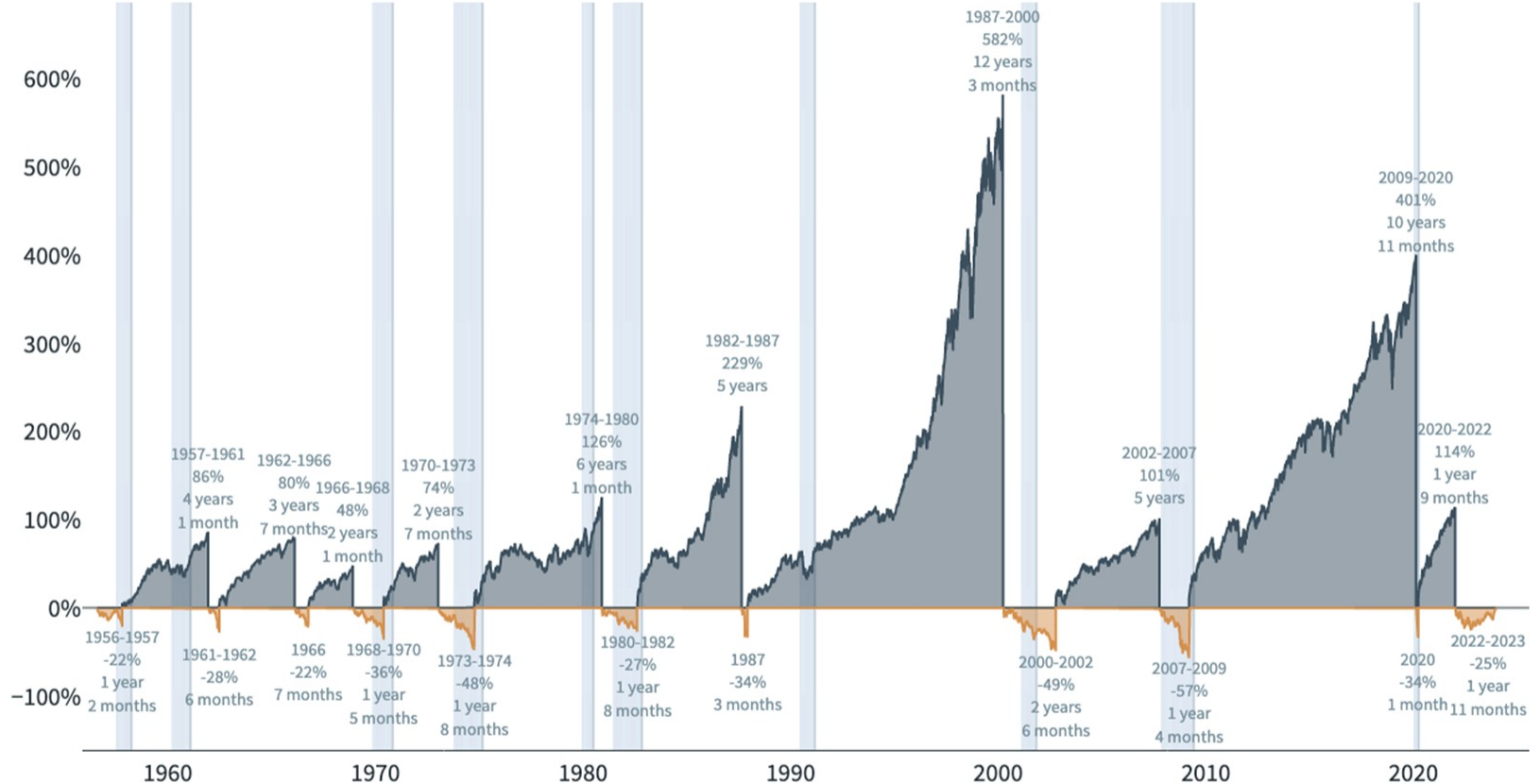
- Presidential elections are important politically but can distract investors financially.
- Simple statistics of stock performance by political party overlook the economic cycle, resulting in skewed results.
- Policies take time to implement. Lagging the results shows that there is little difference over time from a market perspective.

Sources: Clearnomics,
Standard & Poor's

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Stock Market Bull and Bear Cycles

S&P 500 price index since 1956 bear market with recessions shaded.
For the purposes of this chart, bear markets are 20% declines in price from prior peaks.
Bull markets begin at each market bottom.



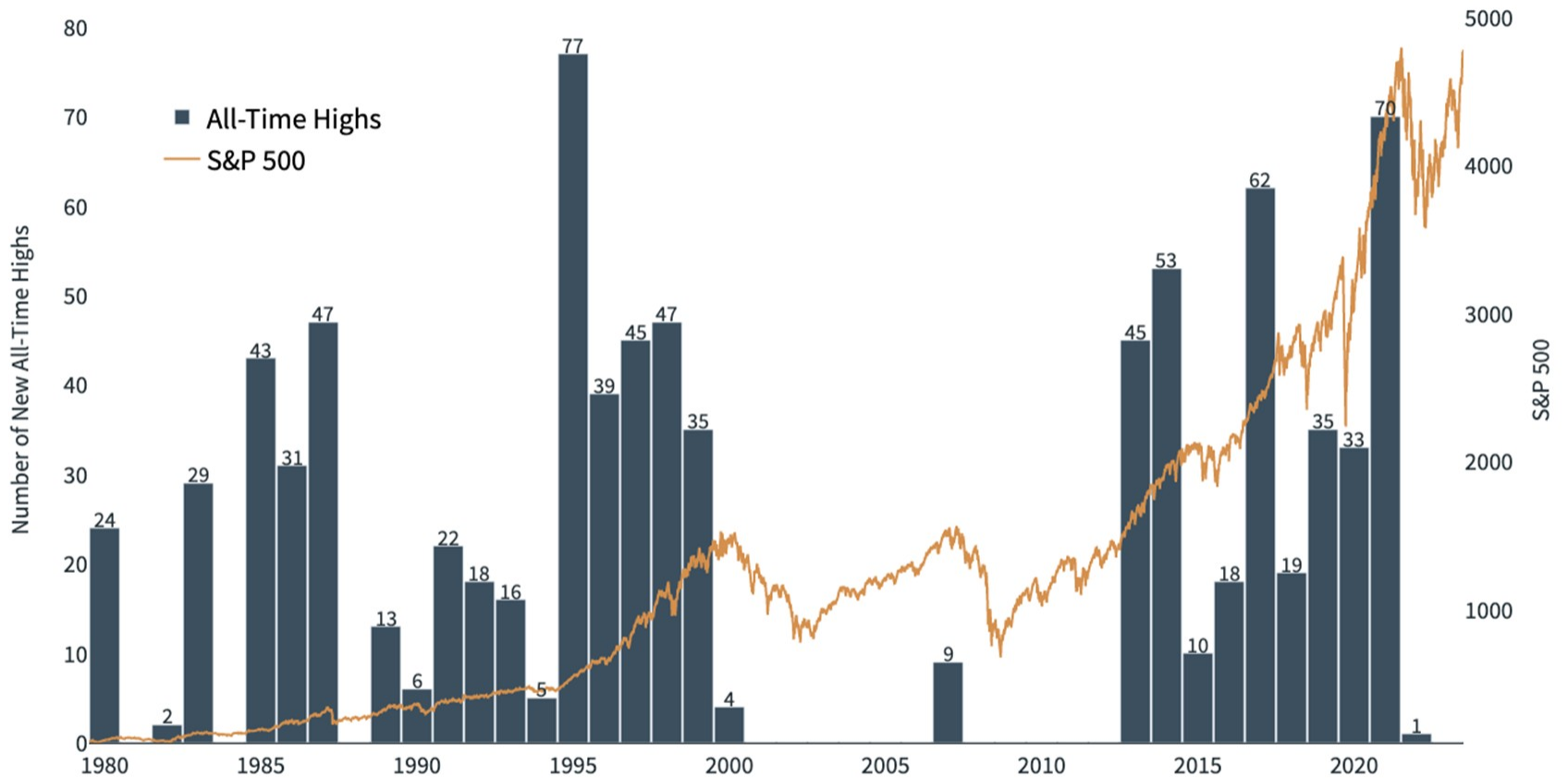
Latest data point is Dec 29, 2023

- While bear markets are unavoidable, bull markets are much longer with larger returns.
- Since 1956, the average bear market has lasted one year, two months with a decline of 36%.
- In contrast, the average bull market lasts 5 years 9 months and returns 192%.



Stock Market All-Time Highs

The number of S&P 500 all-time highs each year

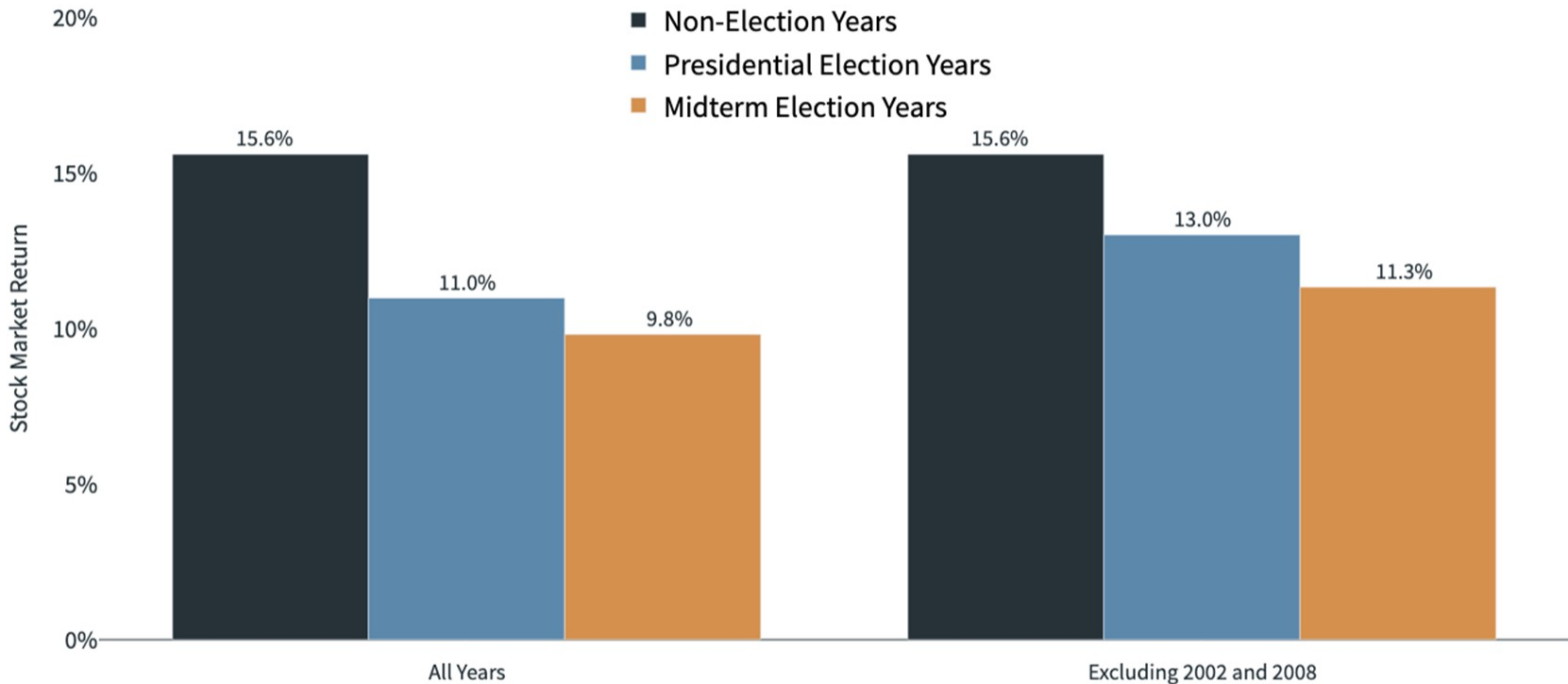


Latest data point is Dec 29, 2023



Stock Markets in Election Years

S&P 500 total return in election and non-election years since 1933

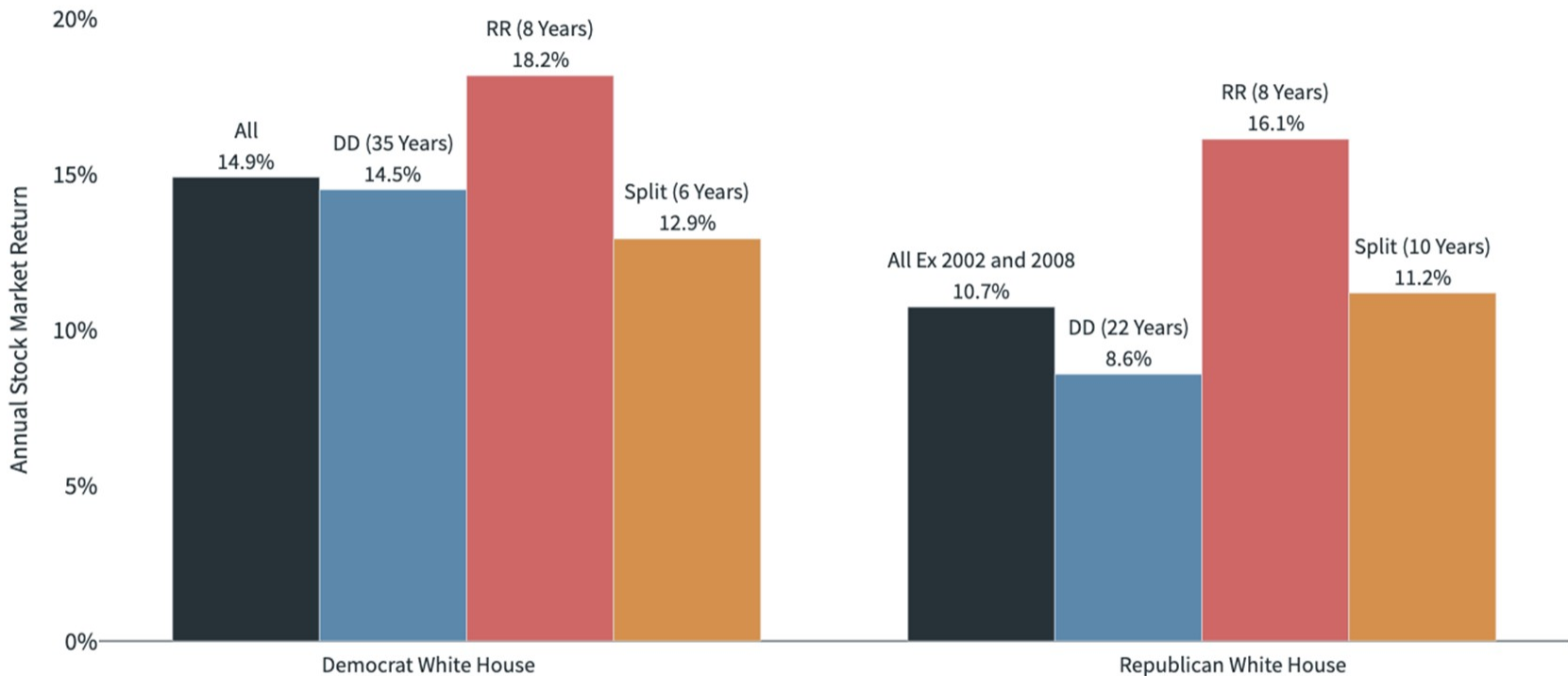


Latest data point is Dec 2021

- Investors often are concerned by how the stock market may perform in election years.
- While there is some difference between election and non-election years, this is small and all years show positive average returns.
- Once we exclude 2002 and 2008, which had little to do with elections, there is little difference between years.

Political Parties and Stocks

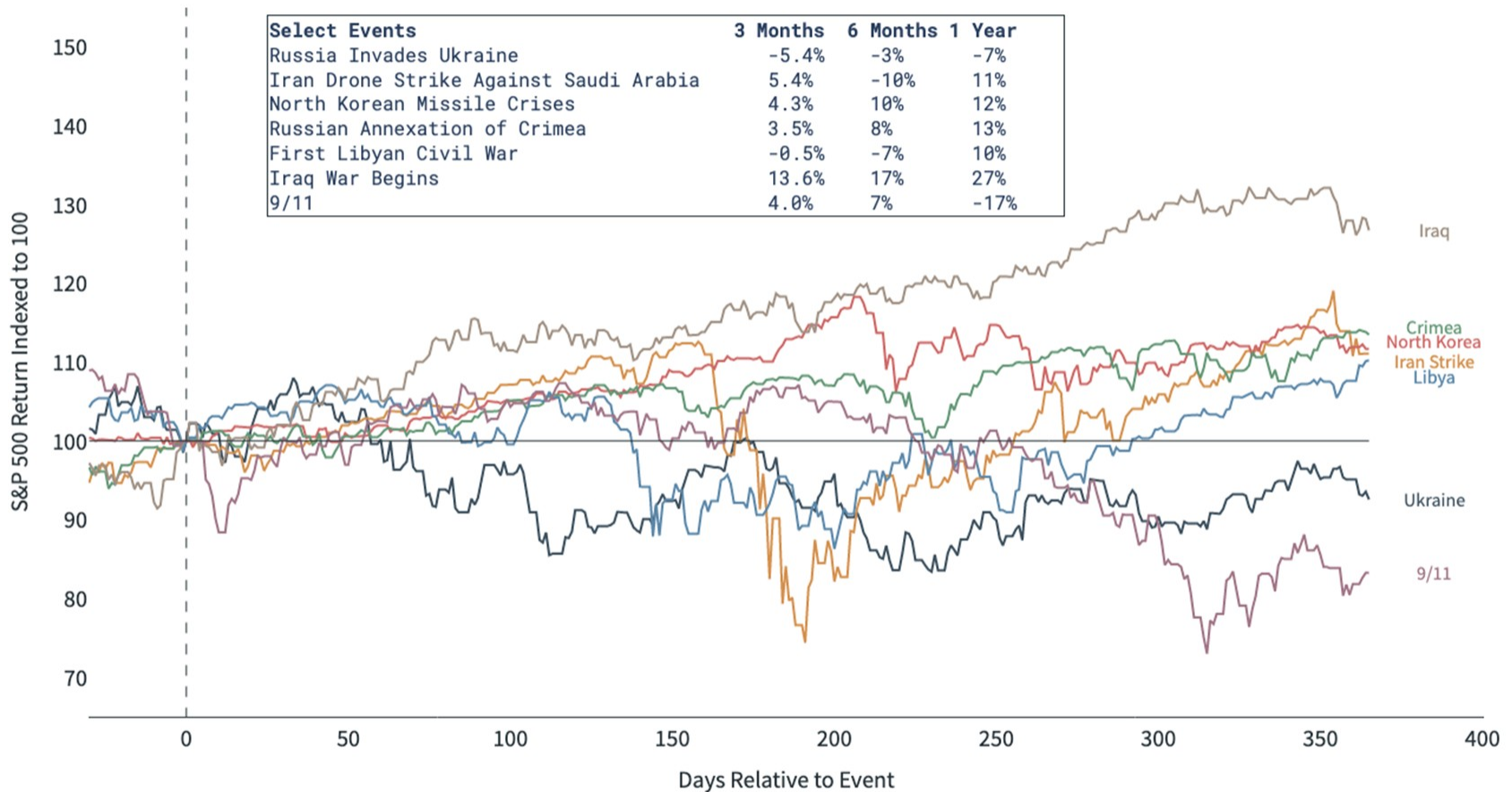
*S&P 500 average annual total returns by government control
Since 1933 excluding 2002 and 2008*



Latest data point is Dec 2021

Stocks and Geopolitical Events

Select events and S&P 500 total returns 3, 6 and 12 months after





Asset Class Performance

Total Returns

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EM 32.6%	EM 39.8%	Fixed Inc. 7.9%	EM 79.0%	Small Cap 26.9%	Fixed Inc. 7.7%	EM 18.6%	Small Cap 38.8%	S&P 500 13.7%	S&P 500 1.4%	Small Cap 21.3%	EM 37.8%	Fixed Inc. 0.1%	S&P 500 31.5%	Small Cap 20.0%	S&P 500 28.7%	Commod. 16.1%	S&P 500 26.3%
EAFE 26.9%	Commod. 16.2%	Balanced -22.5%	EAFE 32.5%	EM 19.2%	S&P 500 2.1%	EAFE 17.9%	S&P 500 32.4%	Balanced 6.4%	Fixed Inc. 0.5%	S&P 500 12.0%	EAFE 25.6%	S&P 500 -4.4%	Small Cap 25.5%	EM 18.7%	Commod. 27.1%	Fixed Inc. -13.0%	EAFE 18.9%
Small Cap 18.4%	EAFE 11.6%	Small Cap -33.8%	Small Cap 27.2%	Commod. 16.8%	Balanced 0.6%	Small Cap 16.3%	EAFE 23.3%	Fixed Inc. 6.0%	EAFE -0.4%	Commod. 11.8%	S&P 500 21.8%	Balanced -4.9%	EAFE 22.7%	S&P 500 18.4%	Small Cap 14.8%	EAFE -14.0%	Small Cap 16.9%
S&P 500 15.8%	Balanced 8.4%	Commod. -35.6%	S&P 500 26.5%	S&P 500 15.1%	Small Cap -4.2%	S&P 500 16.0%	Balanced 15.9%	Small Cap 4.9%	Balanced -1.5%	EM 11.6%	Balanced 15.2%	Small Cap -11.0%	Balanced 20.4%	Balanced 12.6%	Balanced 14.0%	Balanced -14.4%	Balanced 15.3%
Balanced 13.0%	Fixed Inc. 6.6%	S&P 500 -37.0%	Balanced 21.1%	Balanced 12.2%	EAFE -11.7%	Balanced 11.2%	Fixed Inc. -2.0%	EM -1.8%	Small Cap -4.4%	Balanced 8.0%	Small Cap 14.6%	Commod. -11.2%	EM 18.9%	EAFE 8.3%	EAFE 11.8%	S&P 500 -18.1%	EM 10.3%
Fixed Inc. 3.9%	S&P 500 5.5%	EAFE -43.1%	Commod. 18.9%	EAFE 8.2%	Commod. -13.3%	Fixed Inc. 3.8%	EM -2.3%	EAFE -4.5%	EM -14.6%	Fixed Inc. 2.4%	Fixed Inc. 3.6%	EAFE -13.4%	Fixed Inc. 8.5%	Fixed Inc. 7.5%	Fixed Inc. -1.8%	EM -19.7%	Fixed Inc. 5.7%
Commod. 2.1%	Small Cap -1.6%	EM -53.2%	Fixed Inc. 3.0%	Fixed Inc. 6.4%	EM -18.2%	Commod. -1.1%	Commod. -9.5%	Commod. -17.0%	Commod. -24.7%	EAFE 1.5%	Commod. 1.7%	EM -14.2%	Commod. 7.7%	Commod. -3.1%	EM -2.2%	Small Cap -20.4%	Commod. -7.9%

Latest data point is Dec 29, 2023

- Diversifying properly across a variety of asset classes is the most important way for investors to weather market volatility.
- The balanced portfolio approximates a 60/40 stock/bond allocation. By design, it performs steadily through both good and bad markets.
- It is difficult if not impossible to predict which asset classes will outperform from year to year.

The Balanced Portfolio is a hypothetical 60/40 portfolio consisting of 40% U.S. Large Cap, 5% Small Cap, 10% International Developed Equities, 5% Emerging Market Equities, 35% U.S. Bonds, and 5% Commodities.

Sources: Clearnomics, LSEG



Fixed Income Performance

Annual bond sector total returns

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Treasurys 13.7%	High Yield 58.2%	EMD Local 15.4%	TIPS 13.6%	EMD Local 17.5%	High Yield 7.4%	Munis 9.1%	Munis 3.3%	High Yield 17.1%	EMD Local 14.7%	Munis 1.3%	EMD USD 15.0%	TIPS 11.0%	TIPS 6.0%	Munis -8.5%	High Yield 13.4%
MBS 8.3%	EMD USD 29.8%	High Yield 15.1%	Munis 10.7%	EMD USD 17.4%	MBS -1.4%	Corp 7.5%	MBS 1.5%	EMD USD 10.2%	EMD USD 10.3%	MBS 1.0%	Corp 14.5%	Corp 9.9%	High Yield 5.3%	EMD Local -10.2%	EMD USD 11.1%
Agg 5.2%	EMD Local 21.7%	EMD USD 12.2%	Treasurys 9.8%	High Yield 15.8%	Corp -1.5%	EMD USD 7.4%	EMD USD 1.2%	EMD Local 10.0%	High Yield 7.5%	Treasurys 0.9%	High Yield 14.3%	Treasurys 8.0%	Munis 1.5%	High Yield -11.2%	EMD Local 10.9%
TIPS -2.4%	Corp 18.7%	Corp 9.0%	Corp 8.1%	Corp 9.8%	Agg -2.0%	MBS 6.1%	Treasurys 0.8%	Corp 6.1%	Corp 6.4%	Agg 0.0%	EMD Local 10.1%	Agg 7.5%	Corp -1.0%	MBS -11.8%	Corp 8.5%
Munis -2.5%	Munis 12.9%	Agg 6.5%	Agg 7.8%	TIPS 7.0%	Munis -2.6%	Agg 6.0%	Agg 0.5%	TIPS 4.7%	Munis 5.4%	TIPS -1.3%	Agg 8.7%	High Yield 7.1%	MBS -1.0%	TIPS -11.8%	Munis 6.4%
Corp -4.9%	TIPS 11.4%	TIPS 6.3%	EMD USD 7.3%	Munis 6.8%	Treasurys -2.7%	Treasurys 5.1%	Corp -0.7%	Agg 2.6%	Agg 3.5%	High Yield -2.1%	TIPS 8.4%	EMD USD 5.3%	Agg -1.5%	Treasurys -12.5%	Agg 5.5%
EMD Local -5.9%	Agg 5.9%	Treasurys 5.9%	MBS 6.2%	Agg 4.2%	EMD USD -5.3%	TIPS 3.6%	TIPS -1.4%	MBS 1.7%	TIPS 3.0%	Corp -2.5%	Munis 7.5%	Munis 5.2%	EMD USD -1.8%	Agg -13.0%	MBS 5.0%
EMD USD -12.0%	MBS 5.9%	MBS 5.4%	High Yield 5.0%	MBS 2.6%	EMD Local -8.3%	High Yield 2.5%	High Yield -4.5%	Treasurys 1.0%	MBS 2.5%	EMD USD -4.3%	Treasurys 6.9%	MBS 3.9%	Treasurys -2.3%	Corp -15.8%	Treasurys 4.1%
High Yield -26.2%	Treasurys -3.6%	Munis 2.4%	EMD Local -2.0%	Treasurys 2.0%	TIPS -8.6%	EMD Local -5.2%	EMD Local -14.3%	Munis 0.2%	Treasurys 2.3%	EMD Local -6.9%	MBS 6.4%	EMD Local 3.5%	EMD Local -9.2%	EMD USD -17.8%	TIPS 3.9%

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Sources: Clearnomics, Bloomberg

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Definitions and Methodology

The **S&P 500** is a market capitalization-weighted index of large cap U.S. stocks. U.S. **mid cap** and **small cap** are the S&P 400 and S&P 600, respectively. **Value** and **growth** are the corresponding Standard & Poor's value and growth indices.

MSCI EM is an index of emerging market stocks. **MSCI EAFE** is an index of developed market stocks. **MSCI ACWI** is an index of global stocks.

The **forward P/E** is a ratio of the current market price of an index divided by an estimate of earnings over the next twelve months. The **Shiller P/E** is based on Robert Shiller's cyclically adjusted price-to-earnings ratio.

The **AAll Investor Sentiment** index is based on a weekly survey conducted by AAll.

Unless stated otherwise, **earnings** and **valuations** data are from LSEG indices.

The **LEI**, or Leading Economic Index, is produced monthly by the Conference Board.

Consumer sentiment indices are based on surveys conducted by the University of Michigan Surveys of Consumers.

Asset Class Performance and Asset Classes Relative to U.S.

Stocks charts: The EM, EAFE, Small Cap, Fixed Income and Commodities are these indices, respectively: MSCI EM, MSCI EAFE, Russell 2000, iShares Core U.S. Bond Aggregate, Bloomberg Commodity Index.

Fixed Income Performance: All sectors are represented by the Bloomberg Barclays bond indices except for EMD USD and Local which are the JPMorgan EMBIG Diversified Index and JPMorgan GBI-EM Core Index, respectively.

The Balanced Portfolio is a hypothetical 60/40 portfolio consisting of 40% U.S. Large Cap, 5% Small Cap, 10% International Developed Equities, 5% Emerging Market Equities, 35% U.S. Bonds, and 5% Commodities.

The **Bloomberg Commodity Index** is a broadly diversified basket of physical commodities futures contracts.

The **DXY** is a U.S. dollar index based on a basket of currencies, including the Euro, Yen, Pound, Canadian Dollar, Swedish Krona and Swiss Franc.

Portfolio Risk/Reward and Portfolio Drift Since 2009 charts: stocks and bonds are the S&P 500 and iShares Core U.S. Bond Aggregate, respectively. Each portfolio represents a hypothetical stock/bond asset allocation.

The **MSCI Factor** indices are created and maintained by MSCI to capture factor returns. They cover various factors including Quality, Size, Momentum, Volatility, Value and Yield. The Multi-Factor index tracks the performance of Value, Momentum, Quality and Size.

The **MSCI USA** index tracks large and mid cap U.S. stocks.



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