

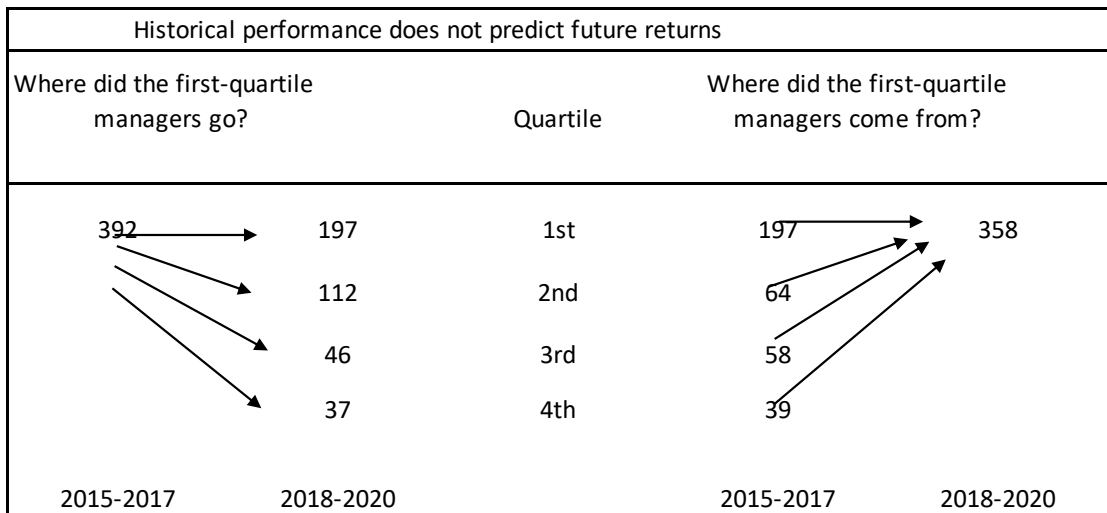
Dollarlogic

Chapter 4

Chart 4-4

This chart shows that top performance is not often maintained in investing.

How many ☆stars was that fund again?



All U.S. Domestic Funds.

*Funds were omitted if Merged/Liquidated, or changed style

Through 12/31/2020

Source data: S&P Dow Jones Indices, U.S. Persistence Scorecard

Report 3: Three-Year Transition Matrix - Performance Over Two Non-Overlapping Three-Year Periods (Based on Quartile)

Chart 4-5

Similarly to chart 4-4, this chart gives another example that top performance is not often maintained in investing.

How many ☆stars was that fund again?

Historical performance does not predict future returns			
Where did the first-quartile managers go?	Quartile	Where did the first-quartile managers come from?	
Top Quartile* →	1st	38% →	Top Quartile*
→	2nd	13% →	↑
→	3rd	11% →	↑
→	4th	8% →	↑
5 Years 2015-2017	5 Years 2018-2020	5 Years 2015-2017	5 Years 2018-2020

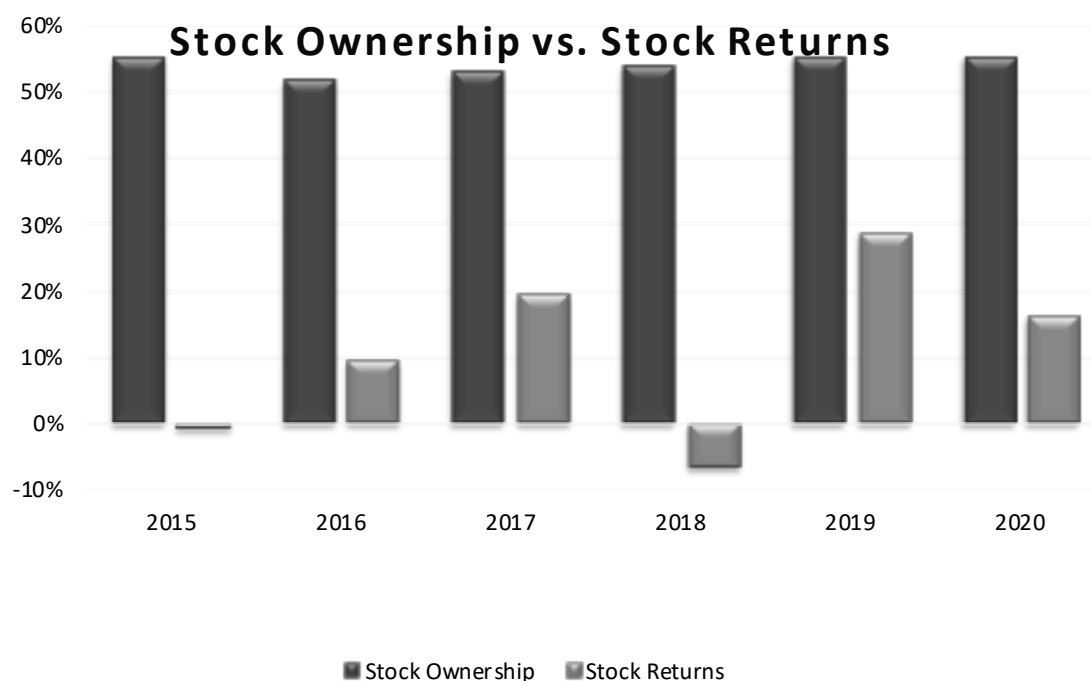
All U.S. Domestic Funds.

* Of the first quartile funds, 7.62% were merged/liquidated, 15.82% changed style
 Of the second quartile funds, 9.77% were merged/liquidated, 22.85% changed style
 Of the third quartile funds, 12.11% were merged/liquidated, 23.63% changed style
 Of the fourth quartile funds, 23.78% were merged/liquidated, 25.54% changed style

Source data: S&P Dow Jones Indices, U.S. Persistence Scorecard
 Report 3: Three-Year Transition Matrix - Performance Over Two Non-Overlapping Three-Year Periods (Based on Quartile)

Chart 4-6

Investors need an advisor to help navigate long-term market trends. Advisors help investors to put their emotions aside when investing.



Source Data: S&P 500 Historical Annual Returns, Marcotrends 2020 Lose Some Luster After COVID-19 Sell-Off, Gallup Poll, 04/24/2020, Justin McCarthy

Chart 4-7

“Investors tend to underperform the very markets that they are investing in.” This chart shows how few top performing funds remain on top for long periods of time.

Top funds poor performance in consecutive 12-month periods

Fund Category	Fund count	% Remaining in Top Quartile			
		2016	2017	2018	2019
All Domestic Funds	556	3.1	1.1	0.9	0.7
Large-Cap Funds	203	0.5	0.5	0.5	0.5
Mid-Cap Funds	68	4.4	1.5	1.5	1.5
Small-Cap Funds	134	5.2	1.5	0.8	0.8
Multi-Cap Funds	124	1.6	0.8	0.8	0.0

Fund Category	Fund count	% Remaining in Top Half			
		2016	2017	2018	2019
All Domestic Funds	1110	21.4	12.1	6.5	4.8
Large-Cap Funds	408	23.0	10.5	5.2	4.2
Small-Cap Funds	267	24.0	12.0	7.5	3.8
Multi-Cap Funds	249	27.3	13.7	8.4	6.8

Source data: Standard & Poor's. All Periods as of December for each year.

Past performance does not guarantee future results.