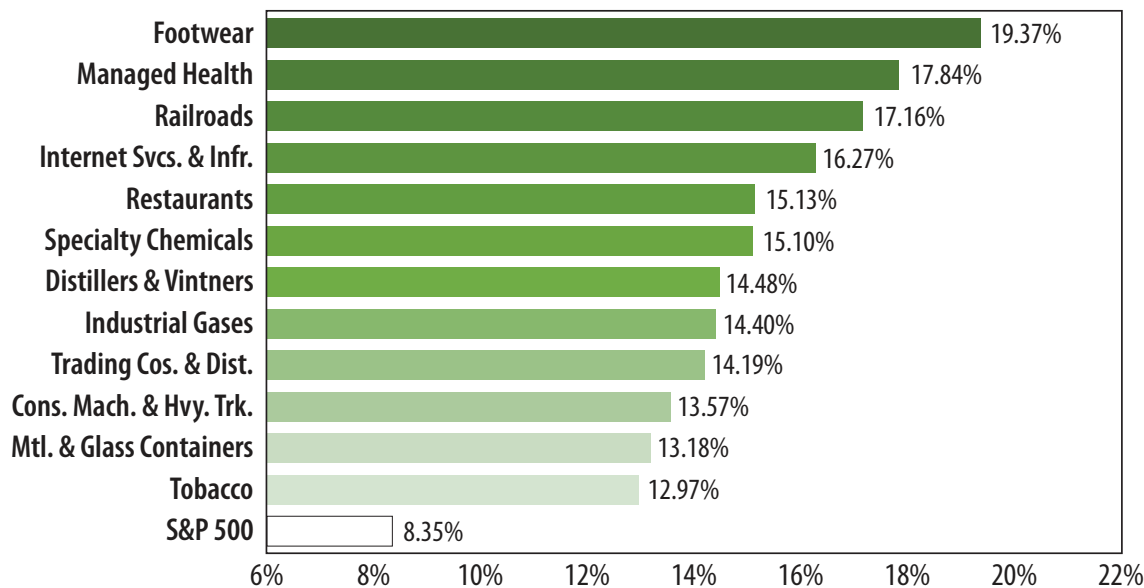


The Buy And Hold Investment Strategy Is Not Dead!

Top 12 S&P 500 Index Subsectors vs. S&P 500 Index
Average Annualized Total Returns (5/31/01-5/28/21)



Source: Bloomberg. **Past performance is no guarantee of future results.**

View from the Observation Deck

1. Investors who follow the financial media have been told by the likes of traders and hedge fund managers for years that buying and holding stocks no longer works.
2. Pundits like to cite the S&P 500 Index's cumulative total return of -9.10% from 2000-2009 as evidence. It even has a name: "The Lost Decade."
3. The chart above clearly shows the pundits are wrong. While the industry's traditional definition of long-term investing is five years or so, these cumulative returns span 20 years.
4. The S&P 500 Index is comprised of 11 sectors and 124 subsectors, according to S&P Dow Jones Indices. We are focusing on the subsectors to show which industries performed the best over the period.
5. There is only one technology subsector represented in the chart (Internet Services & Infrastructure). Keep in mind, tech stocks were in the midst of a huge sell-off in the first year of the 20 years captured in the chart.
6. From 5/31/01-5/31/02, the S&P 500 Information Technology Index posted a total return of -29.79%, according to Bloomberg. The S&P 500 Index was down 13.85% over the same period.
7. To put the returns in the chart into perspective, from 1926-2020 (95 years), the S&P 500 Index posted an average annual total return of 10.28%, according to Morningstar/Ibbotson Associates.
8. The cumulative total returns for 12 subsectors in the chart ranged from 1,046.69% (Tobacco) to 3,354.52% (Footwear), according to Bloomberg. The S&P 500 Index posted a cumulative total return of 397.34% over the same period.
9. Our takeaways from this snapshot are that investors can prosper with a buy and hold strategy and they do not have to necessarily overweight the newest, shiniest, most cutting-edge industries to make a buck.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance, while the S&P sector and subsector indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector or industry.

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