INVESTING
IN TIMES OF UNCERTAINTY

WASHINGTON CROSSING ADVISORS
Victory comes from finding opportunities in problems.

–Sun Tzu
Building and preserving wealth over time means beating inflation. Time in the market and compounding is a powerful combination. A balanced approach can be an effective strategy for staying invested during rough markets.
Avoid Costly Emotions

Dalbar Quantitative Analysis 2019 Study.
Growth of $100,000 hypothetical starting investment for 20 years (1999-2019).

Emotions can be costly. Investors who hold on to their investments tend to be more successful than those who move in and out of the market.

Source: Dalbar, Inc. This study was conducted by an independent third party, Dalbar, Inc. A research firm specializing in financial services, Dalbar is not associated with Washington Crossing Advisors, LLC. The information herein is believed to be reliable, but accuracy and completeness cannot be guaranteed. It is for informational purposes only and is not a solicitation to buy or sell securities. The equity market is represented by the Standard & Poor’s 500, an unmanaged index of common stock. The fixed income market is represented by the Bloomberg Barclays U.S. Aggregate Bond Index. Past performance is not a guarantee of future returns.

Please see pages 17 and 18 for more information.
Expect Market Declines

Periodic market declines are a normal part of investing but can seem frightening when they do happen. During those times, it is easy to become shortsighted, which can lead to bad decision making.

Source: Bloomberg, Washington Crossing Advisors, LLC. For illustrative purposes only. Actual results may vary. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment. Assumes reinvestment of gains and dividends. Past performance is not a guarantee of future returns.

Please see pages 17 and 18 for more information.
Volatility Fades with Time

History has shown that volatility tends to fade over time. Moreover, one of the best ways to adjust portfolio volatility is by choosing a mix of assets that suits you.


Please see pages 17 and 18 for more information.
There is a trade-off between year-to-year swings in portfolios and long-run return. This chart shows how stock-heavy portfolios tend to have higher returns over time, but with greater swings from year-to-year than bond-heavy portfolios. Bond-heavy portfolios tend to have lower, but more consistent returns than stock-heavy returns.

Example Returns by Asset Mix (1946-2019). Source: Bloomberg, Washington Crossing Advisors, LLC. For illustrative purposes only. Actual results may vary. Indices are unmanaged, do not reflect fees and expenses, and are not available for direct investment. Assumes reinvestment of gains and dividends. Past performance is not a guarantee of future returns.


Please see pages 17 and 18 for more information.
Asset Allocation

Chasing the latest fad can be costly. One year’s “hot performer” can easily become next year’s laggard.

A diversified portfolio across multiple asset classes has tended to deliver a more consistent result over time, which can help you stay the course. While diversification does not ensure a profit and may not protect against loss, it can play a key role in establishing a sound investment strategy and reducing risk.

Source: Bloomberg, Washington Crossing Advisors, LLC. Past performance is not a guarantee of future returns. Cash: ICE U.S. Treasury 1-3 Year Bond Index; Fixed Income: Bloomberg Barclays U.S. Aggregate Bond Index; High Yield: Markit iBoxx USD Liquid High Yield Index; U.S. Equity: S&P 500; DM Equity: FTSE Developed All Cap ex U.S. Index; EM Equity: FTSE Emerging Markets All Cap China A Inclusion Index; REITs: Dow Jones Select U.S. Real Estate Index; Gold: Gold Spot Price; Asset Alloc: Assumed Asset Allocation Weights: 1% Cash, 20% U.S. Stocks, 17% Foreign Developed Stocks, 15% Diversified Fixed Income, 3% REITs, 3% Gold, 3% High Yield. Assumes annual rebalancing, which may have tax consequences. You cannot invest directly in an index. Assumes reinvestment of gains and dividends. For illustrative purposes only. Actual results may vary.

Please see pages 17 and 18 for more information.
All investments involve risk, including loss of principal, and there is no guarantee that investment objectives will be met. It is important to review your investment objectives, risk tolerance and liquidity needs before choosing an investment style or manager. Equity investments are subject generally to market, market sector, market liquidity, issuer, investment style, interest rate, credit quality, and call risks, among other factors to varying degrees. Fixed income investments are subject to market, market liquidity, issuer, investment style, interest rate, credit quality, and call risks, among other factors to varying degrees. The results provided are based on generally accepted investment principles. There is no guarantee, however, that any particular results will meet your investment objectives.

1. To what extent do you agree or disagree with the following? Maximizing returns is more important than protecting my investment.
   - Strongly Agree (10)
   - Agree (7.5)
   - Neutral (5)
   - Disagree (2.5)
   - Strongly Disagree (0)

2. To what extent do you agree or disagree with the following? I do not foresee any major expenses that would require significant principal withdrawals from this investment account in the next 5 years.
   - Strongly Agree (10)
   - Agree (7.5)
   - Neutral (5)
   - Disagree (2.5)
   - Strongly Disagree (0)

3. What percentage of your total investable net worth (excluding primary residence) does this portfolio represent?
   - Less than 20% (5)
   - 20% to 40% (7.5)
   - 40% to 60% (10)
   - 60% to 80% (12.5)
   - 80% to 100% (15)

4. On a long-term basis, what average annual rate of return best reflects your objective for “total return” on your portfolio?
   - More than 10% per year (15)
   - 8% to 10% per year (12.5)
   - 6% to 8% per year (10)
   - 4% to 6% per year (7.5)
   - Less than 4% per year (5)

5. When do you expect this investment account to provide a regular source of income?
   - Greater than 20 years (5)
   - 10 to 20 years (7.5)
   - 5 to 10 years (10)
   - 3 to 5 years (12.5)
   - 1 year or less (15)

6. What approximate loss in any one-year period would you be willing to accept before deciding to liquidate your investment?
   - (5%) or greater loss (10)
   - (15%) to (25%) loss (12.5)
   - (25%) or greater loss (15)
   - Minimal loss (0)

7. To what extent do you agree or disagree with the following? I have had prior experience with and understand the investment risk related to stocks, bonds, mutual funds, and other investments.
   - Strongly Agree (10)
   - Agree (7.5)
   - Neutral (5)
   - Disagree (2.5)
   - Strongly Disagree (0)

8. To what extent do you agree or disagree with the following? My income is adequate and stable and my debt level is low.
   - Strongly Agree (10)
   - Agree (7.5)
   - Neutral (5)
   - Disagree (2.5)
   - Strongly Disagree (0)

9. What do you believe is an adequate time frame for evaluating portfolio returns?
   - More than 10 years (15)
   - 5 to 10 years (12.5)
   - 3 to 5 years (10)
   - 1 to 3 years (7.5)
   - Less than 1 year (5)

10. To what extent do you agree or disagree with the following? I am willing to wait several years to recover from losses I incur in an extended down market.
    - Strongly Agree (10)
    - Agree (7.5)
    - Neutral (5)
    - Disagree (2.5)
    - Strongly Disagree (0)

Please see pages 17 and 18 for more information.
About WCA

Washington Crossing Advisors, LLC (“WCA”) is registered as an investment adviser with the Securities and Exchange Commission. WCA is a wholly-owned subsidiary of Stifel Financial Corp., a financial services holding company whose stock is publicly-traded on the New York Stock Exchange under the symbol SF. The WCA team has been successful in helping individual and institutional investors build wealth for over 25 years.

Prior to joining Stifel, the team was responsible for macro-level investment strategy and providing guidance on asset allocation, financial markets, and economics to Ryan Beck & Company’s network of financial consultants. Today, the group continues to offer portfolio management services, advice, and guidance to Stifel’s financial advisors and clients through the firm’s Private Client Group.
The information contained herein has been prepared from sources believed to be reliable but is not guaranteed by us and is not a complete summary or statement of all available data, nor is it considered an offer to buy or sell any securities referred to herein. Opinions expressed are subject to change without notice and do not take into account the particular investment objectives, financial situation, or needs of individual investors. There is no guarantee that the figures or opinions forecasted in this report will be realized or achieved. Employees of Stifel, Nicolaus & Company, Incorporated or its affiliates may, at times, release written or oral commentary, technical analysis, or trading strategies that differ from the opinions expressed within. Past performance is no guarantee of future results. Indices are unmanaged, and you cannot invest directly in an index.

Asset allocation and diversification do not ensure a profit and may not protect against loss. There are special considerations associated with international investing, including the risk of currency fluctuations and political and economic events. Investing in emerging markets may involve greater risk and volatility than investing in more developed countries. Due to their narrow focus, sector-based investments typically exhibit greater volatility. Small company stocks are typically more volatile and carry additional risks, since smaller companies generally are not as well established as larger companies. Property values can fall due to environmental, economic, or other reasons, and changes in interest rates can negatively impact the performance of real estate companies. When investing in bonds, it is important to note that as interest rates rise, bond prices will fall. High-yield bonds have greater credit risk than higher-quality bonds. The risk of loss in trading commodities and futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage that is often obtainable in commodity trading can work against you as well as for you. The use of leverage can lead to large losses as well as gains.

All investments involve risk, including loss of principal, and there is no guarantee that investment objectives will be met. It is important to review your investment objectives, risk tolerance and liquidity needs before choosing an investment style or manager. Equity investments are subject generally to market, market sector, market liquidity, issuer, and investment style risks, among other factors to varying degrees. Fixed income investments are subject to market, market liquidity, issuer, investment style, interest rate, credit quality, and call risks, among other factors to varying degrees.

This commentary may express opinions about the direction of market, investment sector and other trends. The opinions should not be considered predictions of future results. The information contained in this report is based on sources believed to be reliable, but is not guaranteed and not necessarily complete.

Washington Crossing Advisors, LLC is a wholly owned subsidiary and affiliated SEC Registered Investment Adviser of Stifel Financial Corp (NYSE-SF).