

Debunking Investing Myths

YCHARTS

Released August 2026



About this deck:

This deck explores common investing misconceptions, backed by data and actionable insights to help inform better financial decisions. Looking for a PowerPoint version of this deck? [Download it here](#).

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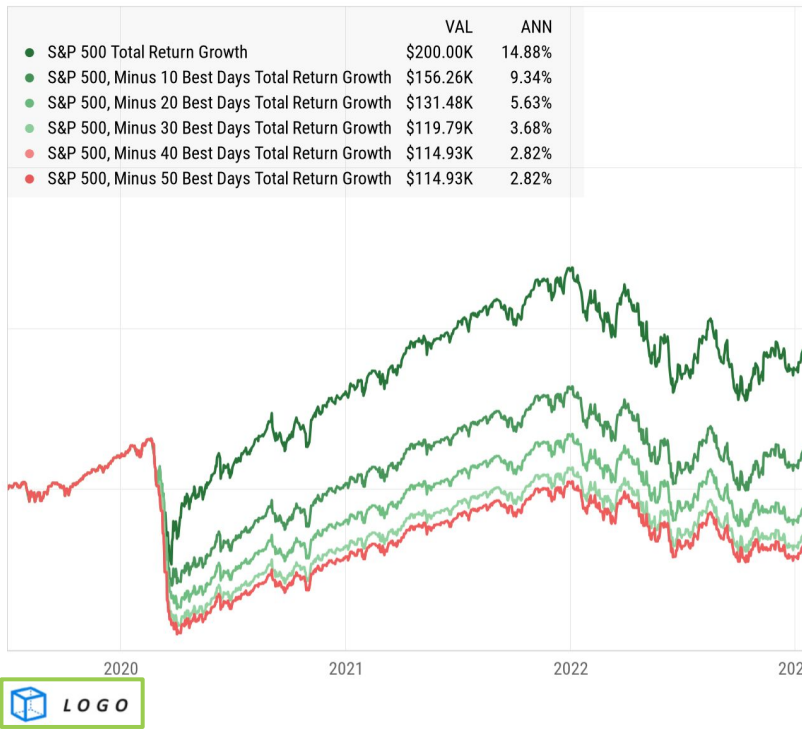
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The Effect of Missing the Best Market Days



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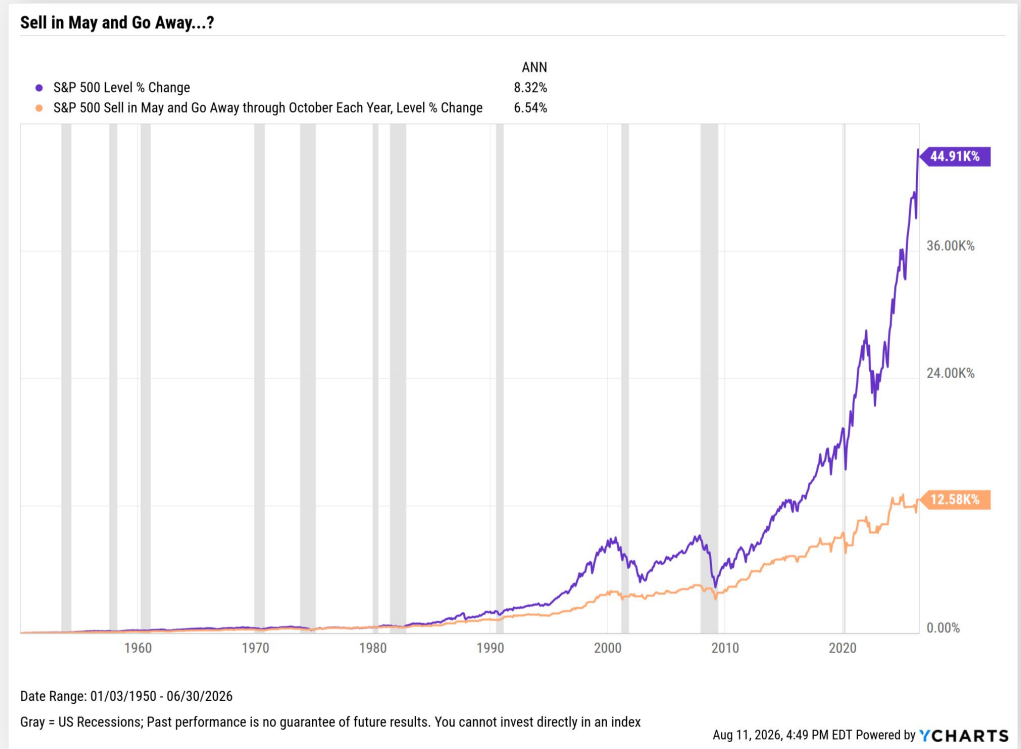


“Sell in May and Go Away”

This seasonal adage claims markets underperform during summer months, but historical data consistently disproves this notion.

Sell in May and Go Away? Average S&P 500 Returns Since 1950 through Jun 2026	
January	1.05%
February	-0.09%
March	0.93%
April	1.46%
May	0.46%
June	0.25%
July	1.13%
August	0.09%
September	-0.59%
October	0.75%
November	1.88%
December	1.42%

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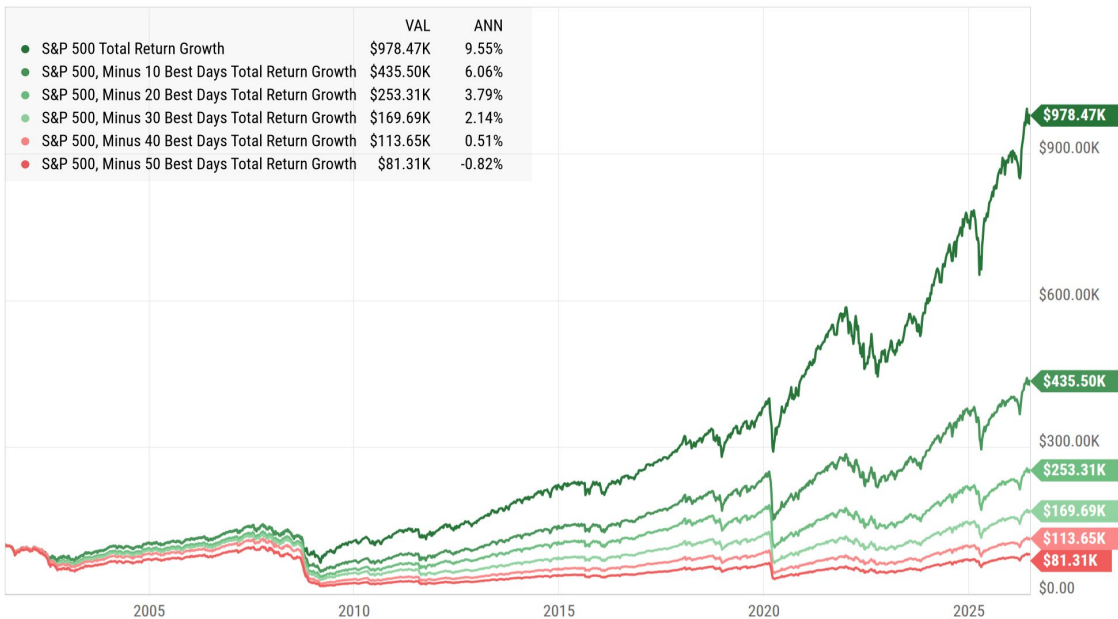




“Market Timing is Key to High Returns”

Many believe timing is key, but missing just a few top-performing days significantly impacts long-term returns.

The Effect of Missing the Best Market Days Over the Last 25 Years



Date Range: 06/30/2001 - 06/30/2026

Initial Investment: \$100,000. Past performance is no guarantee of future results. You cannot invest directly in an index

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Annualized returns over the last 25 years, when missing the best...

- 0 days: 9.55%
- 10 days: 6.06%
- 20 days: 3.79%
- 30 days: 2.14%
- 40 days: 0.51%
- 50 days: -0.82%

Missing just the 10 best market days over 25 years cuts returns by more than half.

Staying fully invested ensures you maximize long-term growth potential.

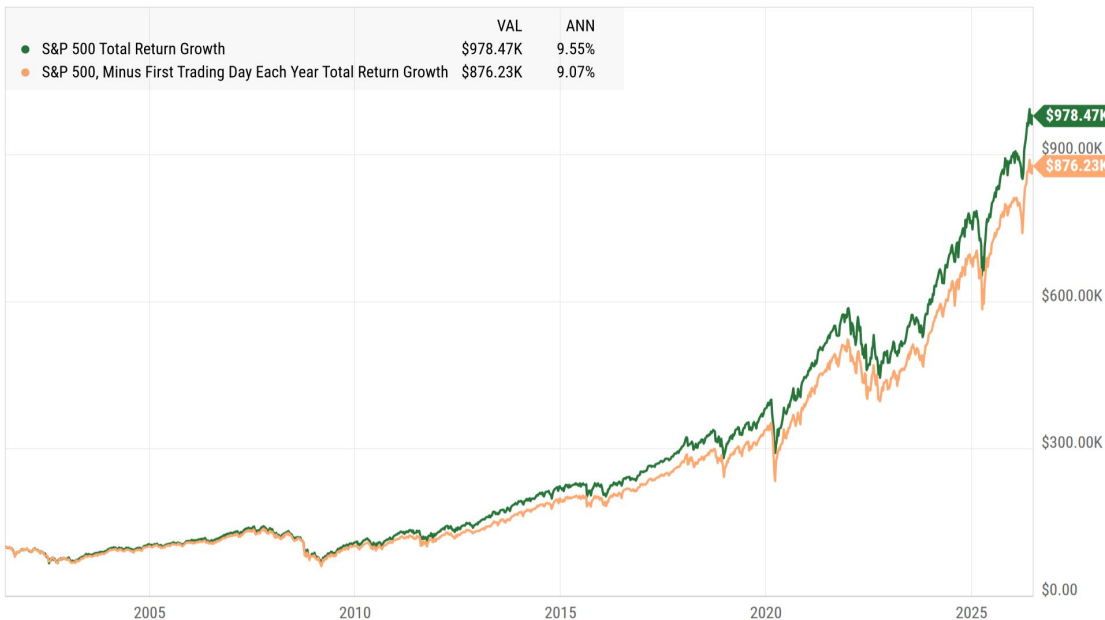
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“Market Timing is Key to High Returns” (cont.)

Missing even a single day each year can significantly impact portfolio performance over time.

The Effect of Missing One Market Day Each Year for the Last 25 Years



Date Range: 06/30/2001 - 06/30/2026

Initial Investment: \$100,000. Past performance is no guarantee of future results. You cannot invest directly in an index

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Even brief periods of being out of the market can significantly impact long-term portfolio returns.

Staying consistently invested is critical to maximizing growth and avoiding the compounding effects of missed opportunities.

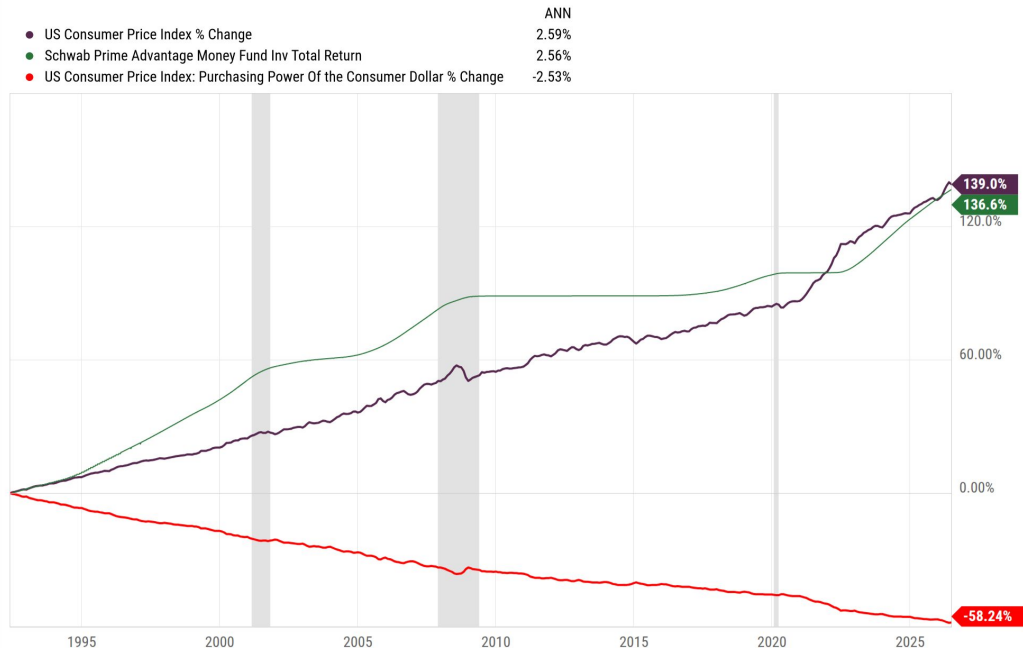
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“Holding Cash is Better Than Investing”

Holding cash feels safe, but inflation erodes its purchasing power.

Money Market Fund vs. Cash Purchasing Power



Date Range: 05/31/1992 - 06/30/2026

Gray = US Recessions; Past performance is no guarantee of future results. You cannot invest directly in an index

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Investing cash in a money market fund can help mitigate the effects of inflation, but it doesn't generate significant growth.

Over time, uninvested cash loses value due to diminished purchasing power.

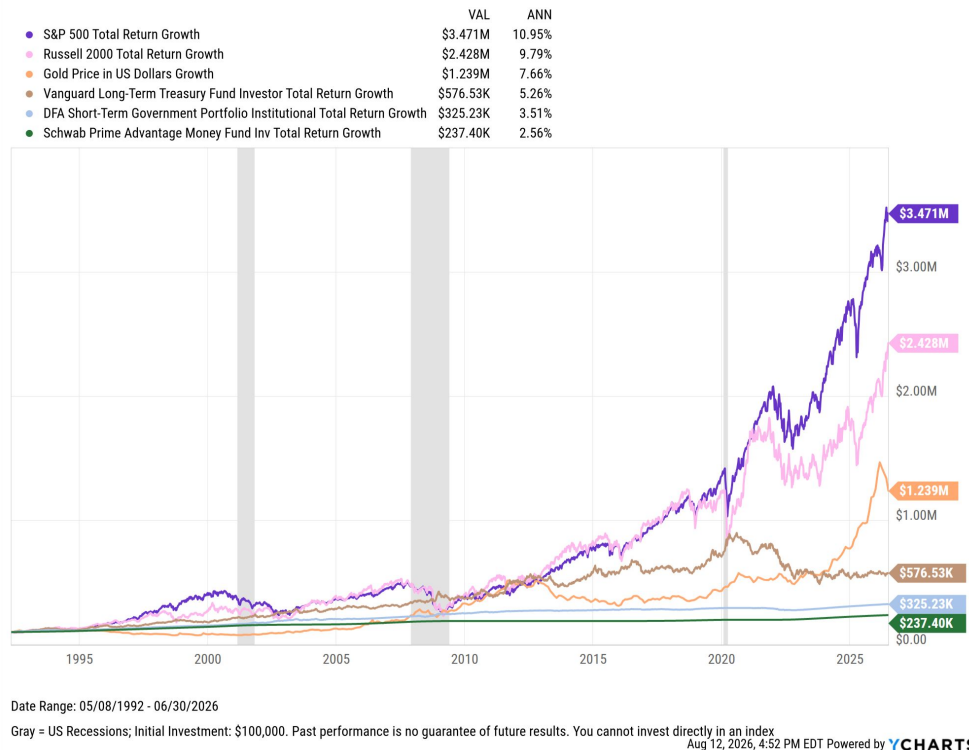
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“Holding Cash is Better Than Investing” (cont.)

Over time, investing typically outperforms cash savings, especially after inflation.

The Long-Term Power of Markets



Investing in growth assets far outpaces cash savings in the long term.

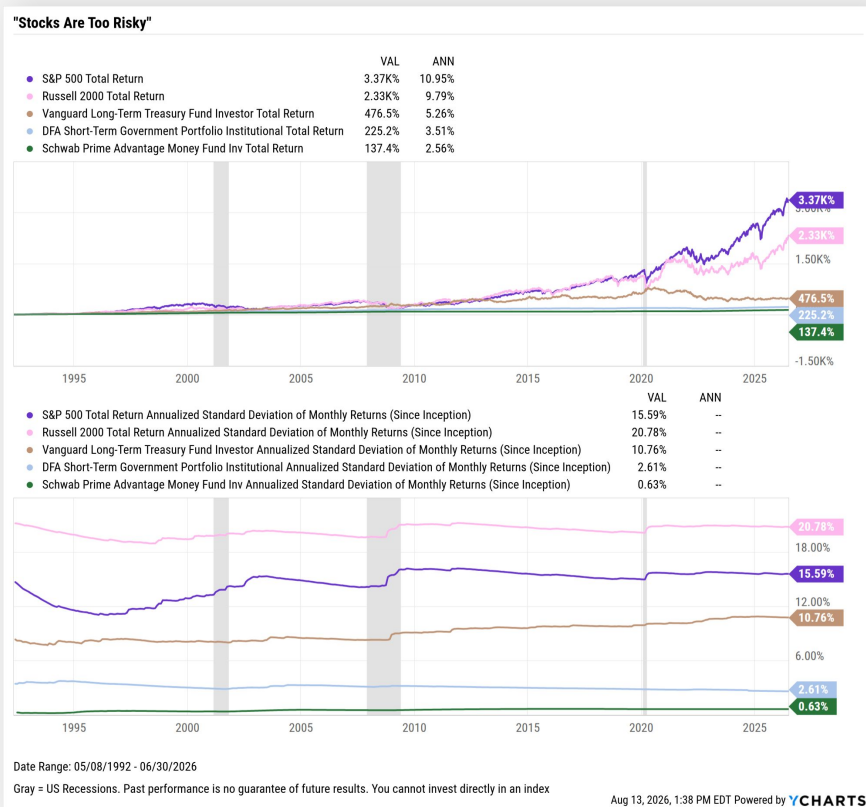
Growth of an initial \$100K investment in 1992 through Q2 2026:

- S&P 500: \$3.471M
- Russell 2000: \$2.428M
- Gold: \$1.239M
- Long-term Bonds: \$576,530
- Short-term Bonds: \$325,230
- Money Market: \$237,400



“Stocks Are Too Risky”

Volatility is often misunderstood as excessive risk. Over time, volatility may lead to growth potential.

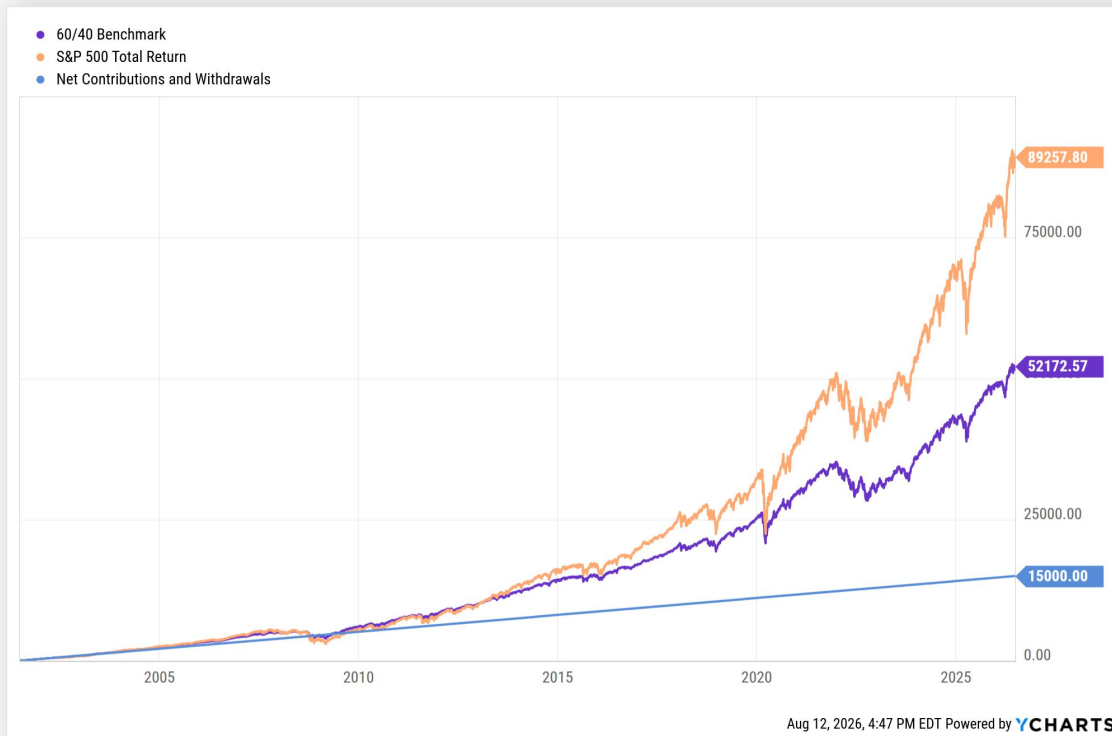


Equities carry higher levels of risk/reward than bonds or cash. While standard deviation of the S&P 500 is about 50% higher than long-term treasuries, annualized return of the U.S. stock index is almost double that of the long-term fixed income fund.



“Investing is Only for the Rich”

The power of compounding can grow small, regular investments over time, making investing accessible to a wide range of income levels.



By investing just \$50 a month for the last 25 years, you would contribute a total of \$15,000.

The power of long-term investing can grow that \$15,000 into \$52,000 with a 60/40 portfolio.

If the same \$50 monthly contributions were invested in an all-S&P 500 portfolio, your total would grow to more than \$89,000 — nearly 6x your original investment.

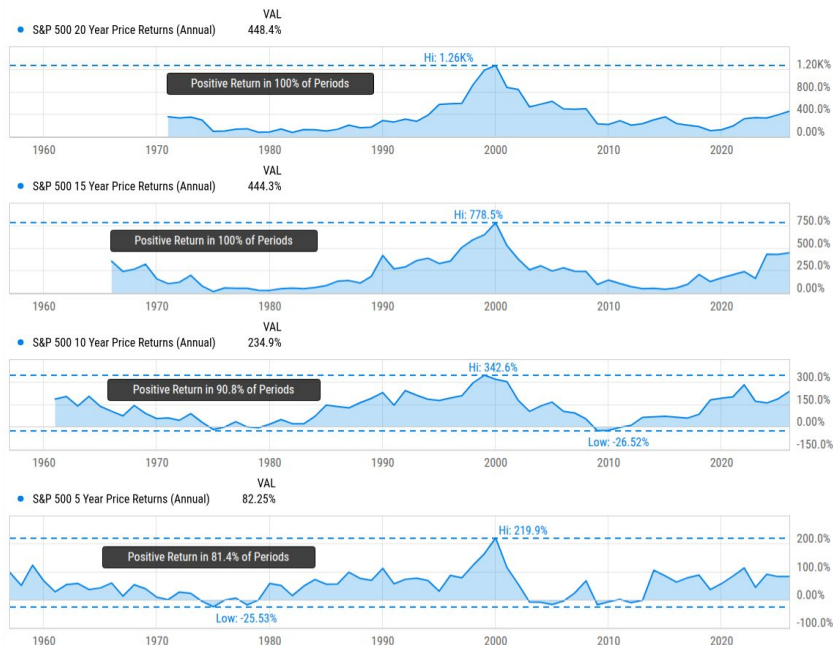
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“Investing is Like Gambling”

Unlike gambling, which relies on chance, investing is about compounding growth and has historically rewarded long-term commitment with positive returns.

Probability of Positive Market Returns over 5, 10, 15, and 20 Year Periods



Date Range: 12/31/1956 - 12/31/2025

Past performance is no guarantee of future results. You cannot invest directly in an index

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Probability of Winning Casino Games:



Craps: ~50%



Blackjack: ~49%



Roulette: ~47% to 49%



Baccarat: ~44% to 46%

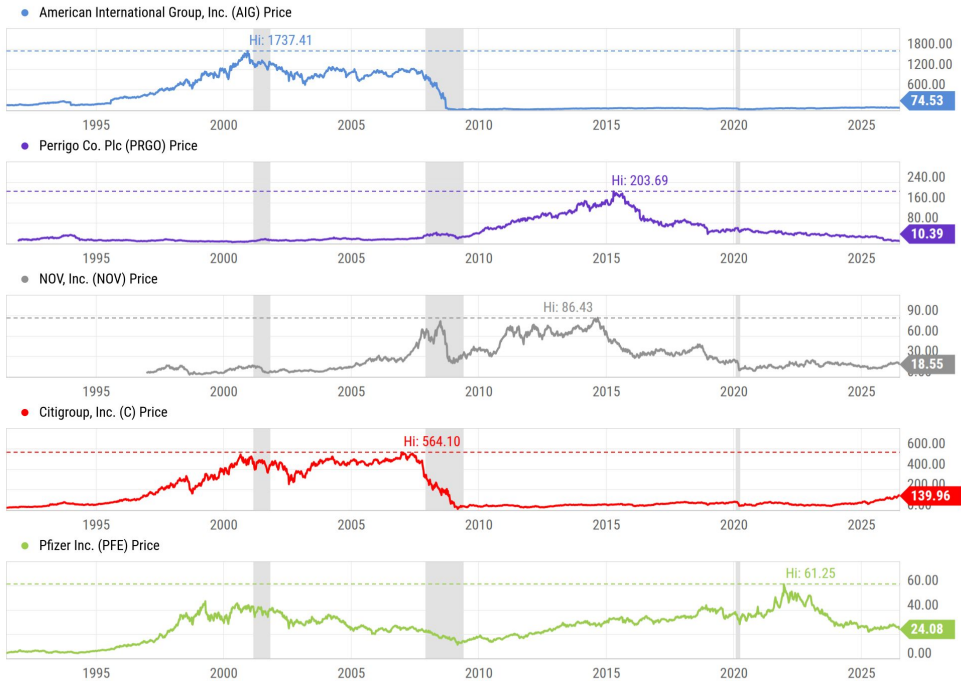
Source: Action Network



“Fallen Stocks Will Always Bounce Back”

Contrary to the belief that they must rebound at some point, some stocks might never recover.

“Fallen Stocks Will Always Bounce Back”



Date Range: 06/28/1991 - 06/30/2026

Gray = US Recessions. Past performance is no guarantee of future results

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AIG -95.7% below all-time high

PRGO -94.9% below all-time high

NOV -78.5% below all-time high

C -75.2% below all-time high

PFE -60.7% below all-time high



“The More You Own, The Better Diversified You Are”

Rather than just increasing holdings, true diversification reduces concentration risk without increasing overlap.

Symbol	Name	▼ % Weight
AMZN	Amazon.com, Inc.	2.14%
XOM	ExxonMobil Holdings Corp.	2.08%
META	Meta Platforms, Inc.	1.59%
CVX	Chevron Corp.	1.52%
LLY	Eli Lilly & Co.	1.42%
TSLA	Tesla, Inc.	1.40%
NVDA	NVIDIA Corp.	1.25%
LIN	Linde Plc	1.17%
JPM	JPMorgan Chase & Co.	1.12%
NEE	NextEra Energy, Inc.	1.11%

Sector ETFs Model Portfolio: 9.09% allocation
to each of the 11 SPDR® Select Sector ETFs
531 total holdings; 14.80% in Top 10 Holdings

Symbol	Name	▼ % Weight
NVDA	NVIDIA Corp.	5.63%
AAPL	Apple, Inc.	4.82%
MSFT	Microsoft Corp.	3.89%
AMZN	Amazon.com, Inc.	2.77%
GOOGL	Alphabet, Inc.	2.23%
AVGO	Broadcom Inc.	2.09%
GOOG	Alphabet, Inc.	1.80%
META	Meta Platforms, Inc.	1.39%
MU	Micron Technology, Inc.	1.11%
TSLA	Tesla, Inc.	1.03%

Broad Index Model Portfolio: 16.666% allocation
to each of IWD, IWF, IWN, IWO, SPY, OEF
2,935 total holdings; 26.76% in Top 10 Holdings



“The More You Own, The Better Diversified You Are” (cont.)

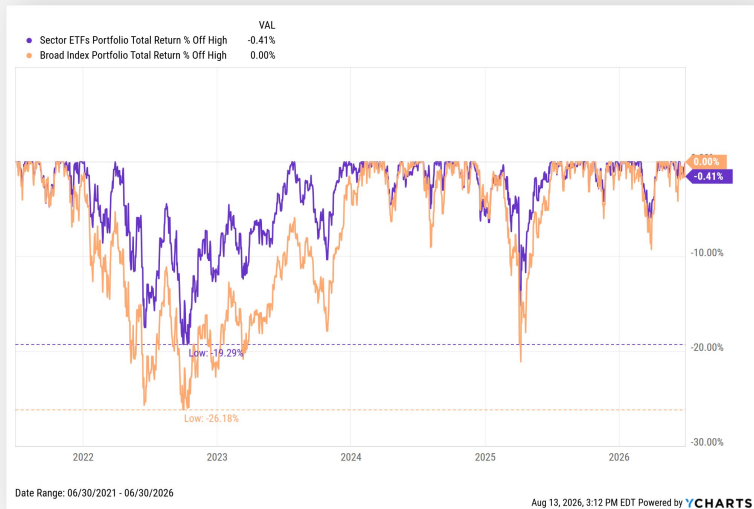
Excessive overlap can reduce returns and increase the severity of drawdowns.

“**Sector ETFs Portfolio**” with 531 total holdings:
-19.29% max drawdown

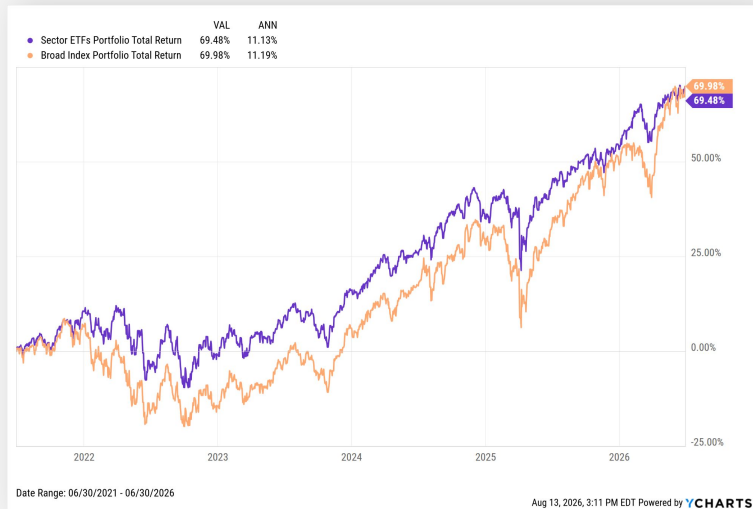
“**Broad Index Portfolio**” with 2,935 total holdings:
-26.18% max drawdown

Nearly identical annualized returns since June 2021 don't tell the full story

Sector ETFs led for 59 consecutive months before losing the advantage in June 2026



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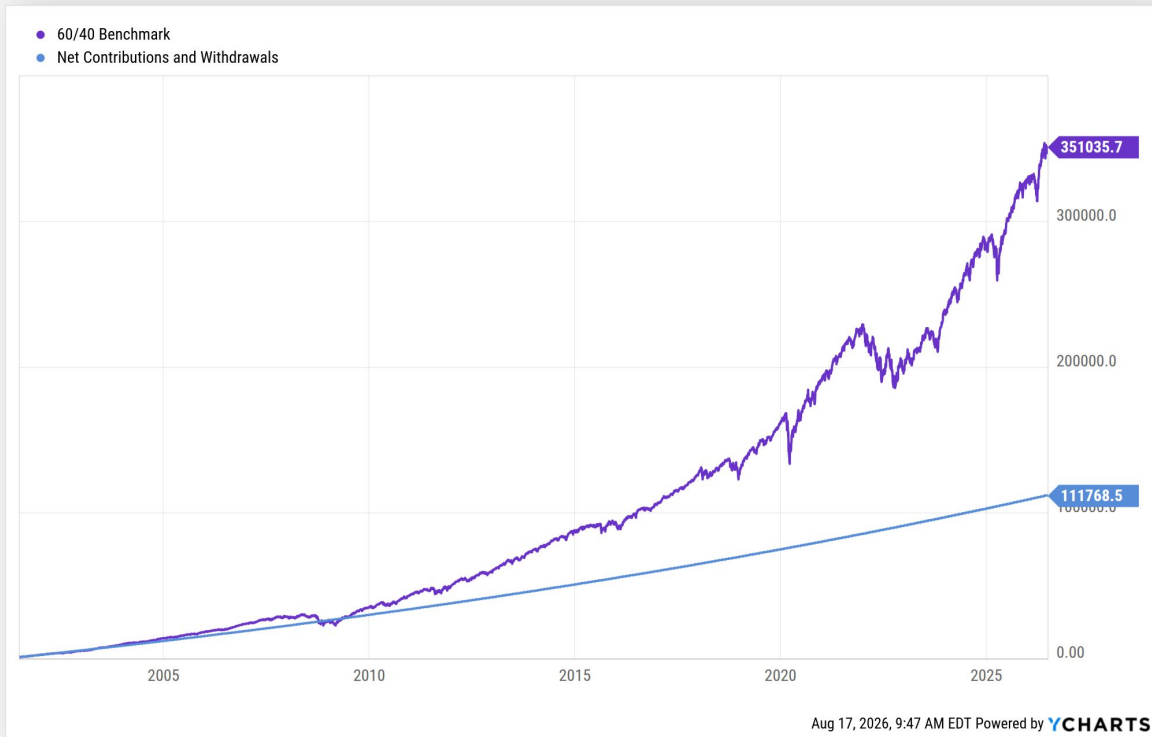


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“Successful Investors Take Big Risks”

Akin to avoiding “putting all your eggs in one basket” up front, contributing over time often provides for a smoother—and more rewarding—investing journey.



The chart illustrates an example 25-year investment in a 60/40 portfolio:

Initial Investment: \$1,000, made in July 2001

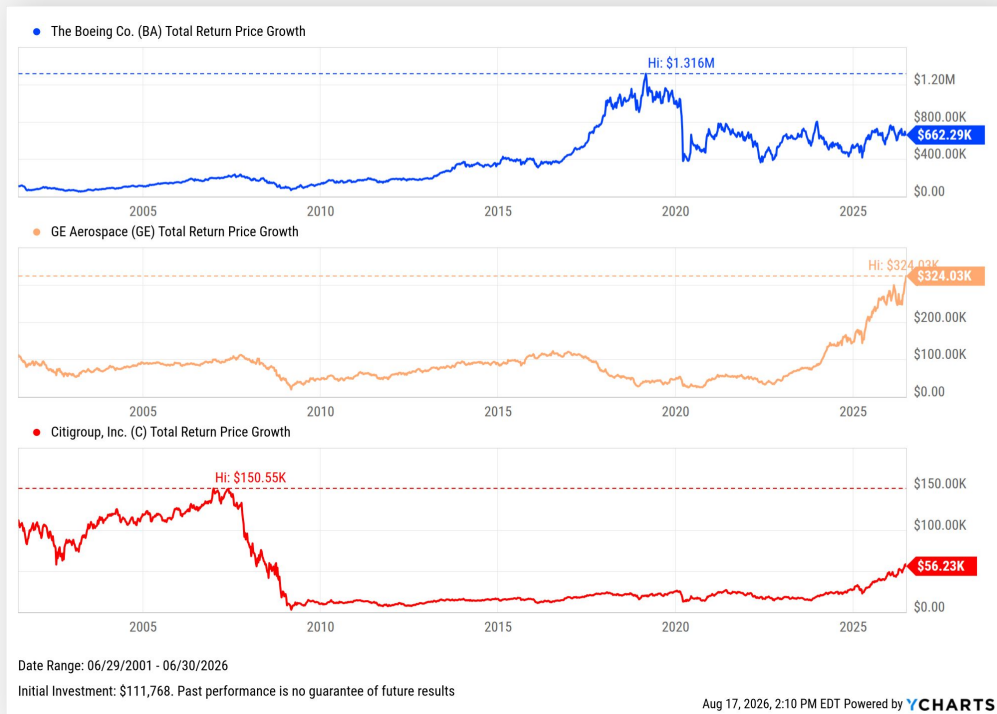
Ongoing Contributions: \$250 monthly, with a 3% annual increase, from August 2001 through June 2026

Total Contribution: \$111,768.50

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“Successful Investors Take Big Risks” (cont.)

Akin to avoiding “putting all your eggs in one basket” up front, contributing over time often provides for a smoother—and more rewarding—investing journey.



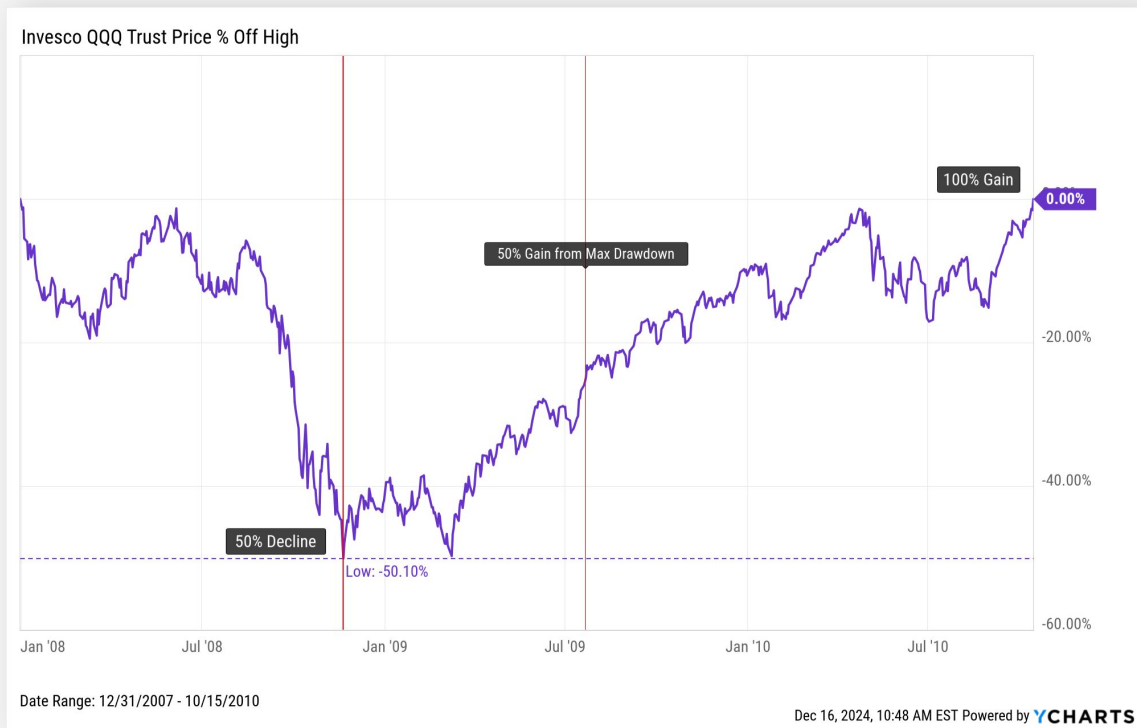
Investing that lump sum of **\$111,768** into a single stock on **July 1, 2001**, would have resulted in the following outcomes:

- **Boeing (BA)**
 - High: \$1.316M
 - Current value: \$662,290
 - Current % off high: -49.7%
- **General Electric (GE)**
 - High: \$324,030
 - Current value: \$324,030
 - Current % off high: 0%
- **Citigroup (C)**
 - High: \$150,550
 - Current value: \$56,230
 - Current % off high: -62.7%



“Percentage Gains and Losses are Equivalent”

Higher levels of positive returns are required in order to fully counterbalance losses.



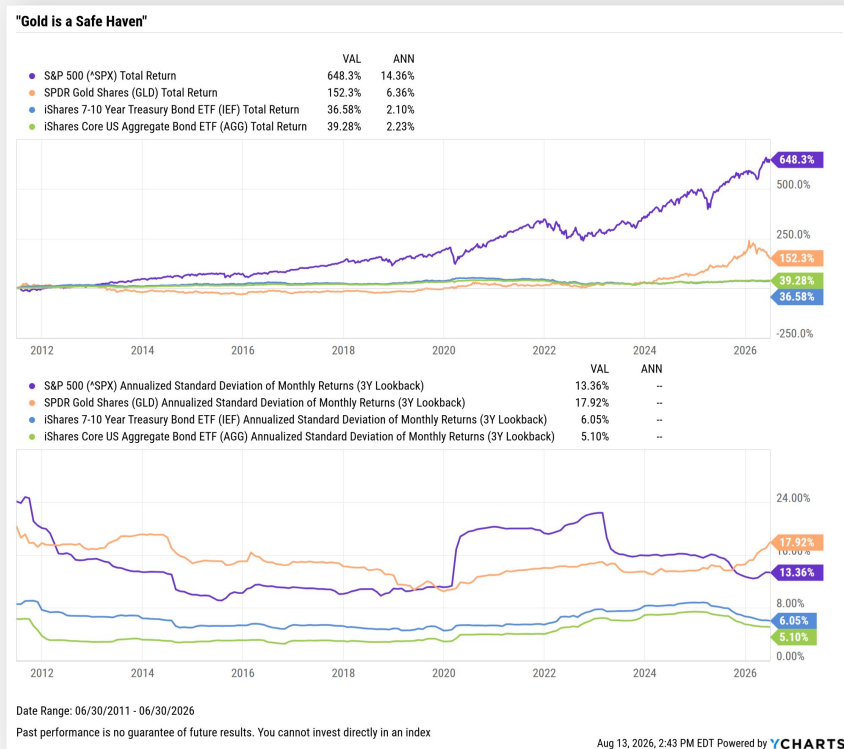
Between January 1 and November 20, 2008, the Invesco QQQ Trust (QQQ), an ETF tracking the Nasdaq-100 Index, experienced a 50% decline in value.

To recover from this loss, the ETF needed a 100% gain, which it achieved by October 15, 2010.

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"Gold is a Safe Haven"

Although gold has traditionally been considered a safe-haven asset, its recent risk/reward metrics suggest it may not always serve this role effectively.



15Y Return and Risk Metrics:

- **S&P 500:**
 - 14.4% Annualized Return
 - 13.4% Standard Deviation
- **GLD:**
 - 6.4% Annualized Return
 - 17.9% Standard Deviation
- **AGG:**
 - 2.2% Annualized Return
 - 6.1% Standard Deviation

The annualized return of gold, represented by SPDR® Gold Shares (GLD), is less than half as much as stocks since 2010, yet carries more volatility than the S&P 500.



“A High Dividend Yield Indicates a Safe Investment”

Investors often consider dividends as indicators of secure investments. However, elevated yields can be a signal of underlying company challenges, potentially becoming “dividend traps” that threaten long-term performance.

Symbol		Name	Dividen. Yield	1 Month Total Returns (Monthl.)	6 Month Total Returns (Monthl.)	1 Year Total Returns (Monthl.)	5 Year Total Returns (Monthl.)	10 Year Total Returns (Monthl.)
BDN	✧ +	Brandywine Realty Trust	14.89%	1.42%	-18.21%	8.56%	-34.33%	-32.18%
NAT	✧ +	Nordic American Tankers Ltd	14.49%	1.80%	10.57%	-27.11%	-3.12%	-62.36%
NXDT	✧ +	NexPoint Diversified Real Estate Trust	13.13%	0.72%	-26.09%	-14.01%	-42.61%	-59.07%
GNL	✧ +	Global Net Lease Inc	13.03%	-2.71%	10.46%	17.46%	-16.92%	-15.06%
XRX	✧ +	Xerox Holdings Corp	11.82%	8.28%	-35.56%	-50.71%	-52.86%	-69.18%
NYMT	✧ +	New York Mortgage Trust Inc	11.73%	5.78%	17.50%	30.01%	17.71%	-21.46%
RWT	✧ +	Redwood Trust Inc	11.70%	11.96%	-3.84%	1.63%	37.10%	-10.30%
WU	✧ +	The Western Union Co	11.62%	-6.80%	-16.61%	-24.57%	-45.79%	-30.85%
KSS	✧ +	Kohl's Corp	10.69%	5.79%	-37.82%	-59.71%	-45.53%	-77.01%
CRI	✧ +	Carter's Inc	10.36%	-3.16%	-42.92%	-48.78%	-55.76%	-63.62%

“A High Dividend Yield Indicates a Safe Investment” (cont.)

Some investors perceive high dividend yields as indicators of secure investments. However, elevated yields can sometimes signal underlying company challenges, potentially affecting long-term stability.



Dividend yields by nature lend themselves to denominator bias, a stock's price falling elevates the dividend yield.

For example, Western Union (WU) shows a high current yield paired with a significant long-term decline in total return, reinforcing the risks of relying solely on dividend yields as an indicator of investment safety.

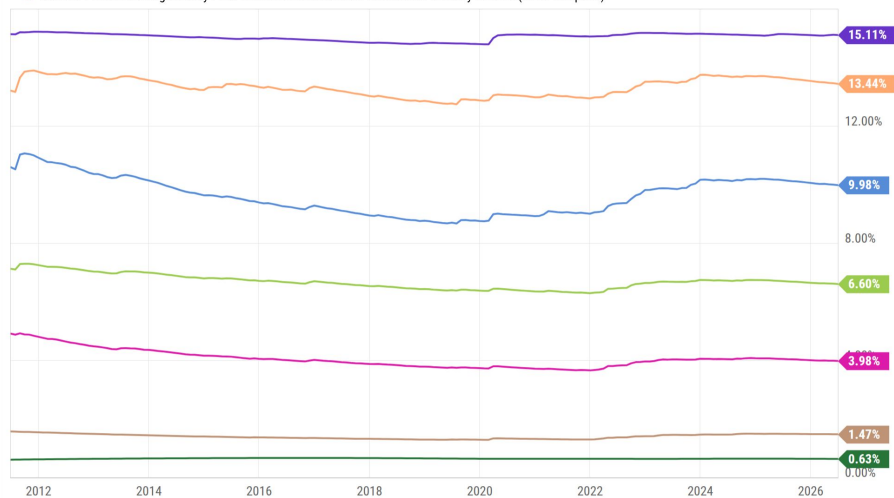


“Bonds are Risk-Free Investments”

Bonds are not entirely risk-free; they can be affected by inflation, interest-rate, and default risks.

Volatility of Stocks vs. Bonds

- S&P 500 Annualized Standard Deviation of Monthly Returns (Since Inception)
- iShares 20+ Year Treasury Bond ETF Annualized Standard Deviation of Monthly Returns (Since Inception)
- iShares 10-20 Year Treasury Bond ETF Annualized Standard Deviation of Monthly Returns (Since Inception)
- iShares 7-10 Year Treasury Bond ETF Annualized Standard Deviation of Monthly Returns (Since Inception)
- iShares 3-7 Year Treasury Bond ETF Annualized Standard Deviation of Monthly Returns (Since Inception)
- iShares 1-3 Year Treasury Bond ETF Annualized Standard Deviation of Monthly Returns (Since Inception)
- Schwab Prime Advantage Money Fund Inv Annualized Standard Deviation of Monthly Returns (Since Inception)



Date Range: 06/30/2011 - 06/30/2026

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Bonds vary significantly in risk depending on their maturity (as illustrated by standard deviation), with longer-term bonds exhibiting higher volatility compared to shorter-term bonds.

While bonds generally have lower volatility than stocks, they are not entirely risk-free.

Cash remains the least volatile asset, but its returns are minimal, highlighting the trade-off between risk and potential reward.

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