

FINRA Letters for Fincomm Presentations

Presentation	Reference Number	Location
Dividend Investing	FR2022-0203-0358/E	<u>Download</u>
Downturns and Recoveries	FR2022-0203-0356/E	<u>Download</u>
Environmental, Social, and Governance (ESG) Investing	FR2022-0627-0057/E	<u>Download</u>
Exchange-Traded Funds	FR2022-0222-0090/E	<u>Download</u>
Global Investing	FR2022-0203-0357/E	<u>Download</u>
Growth and Value Investing	FR2022-0203-0355/E	<u>Download</u>
Investing for Retirement	FR2022-0311-0101/E	<u>Download</u>
Investing in a Rising-Interest-Rate Environment	FR2022-0222-0110/E	<u>Download</u>
Investor Behavior	FR2022-0222-0109/E	<u>Download</u>
Portfolio Diversification and Performance	FR2022-0203-0353/E	<u>Download</u>
Principles of Investing	FR2022-0203-0354/E	<u>Download</u>
Real Estate Investing	FR2022-0311-0102/E	<u>Download</u>
Retirement Income	FR2022-0311-0099/E	<u>Download</u>
Risk and Volatility	FR2022-0222-0089/E	<u>Download</u>
Stocks and Bonds	FR2022-0311-0097/E	<u>Download</u>
Target-Date Funds	FR2022-0311-0096/E	<u>Download</u>
Taxes and Investment Performance	FR2022-0311-0092/E	<u>Download</u>
SBBI Presentation	FR2023-0622-0112/E	<u>Download</u>

See the next page for a breakdown of the images in each of these presentations.

Presentations and Images

Dividend Investing

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- Why Invest in Dividend-Paying Stocks?
- Impact of Dividend Reinvestment over Time
- Trend in Yields over Time
- Current Yield Landscape
- Dividend Contribution to Total Return
- Historical Performance of Dividend Stocks
- Income Return Comparison
- Dividend Stocks: Asset-Class Characteristics
- Dividends and Inflation
- Dividend Income during Downturns
- Takeaways: Dividend Investing

Downturns and Recoveries

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- Stock Market Contractions and Expansions
- Market Downturns and Recoveries
- Periods of Consecutive Negative Stock Returns
- Crises and Long-Term Performance
- Stock Performance after Recessions
- The Importance of Staying Invested
- History of Interest Rates
- Bond Yields during Recessions
- Stock Returns and Monetary Policy
- Correlations of Various Asset Classes with the Market
- U.S. Market Recovery after Financial Crises: All-Stock Portfolio
- U.S. Market Recovery after Financial Crises: Balanced Portfolio

Environmental, Social, and Governance (ESG) Investing

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- What Is ESG?
- How Are ESG Funds Rated?
- The Sustainable Funds Universe
- Sustainable Fund Launches
- Sustainable Fund Launches in 2022 by Category Group
- Sustainable Funds Launched in 2022 with Assets Greater than \$100M
- More Existing Funds are Repurposing as Sustainable
- Five Largest Funds Repurposed as Sustainable in 2022
- Passive Funds Gaining Market Share
- 10 Largest Actively Managed Sustainable Funds
- 10 Largest Passive Sustainable Funds
- Sustainable Funds by Asset Class
- Sustainable Funds: Average Annualized Excess Return vs. Morningstar Category Indexes

Exchange-Traded Funds

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- Comparing ETFs with Index Funds and Mutual Funds
- Comparing ETFs and Stocks
- ETFs Are a Fast-Growing Investment Vehicle
- The Top-Heavy ETF Market
- The Creation/Redemption Mechanism



Why Do ETFs Trade at a Premium or Discount?
Performance of Large-Cap ETFs over Various Time Periods
Expense Ratios of Large Caps: ETFs, Index Funds, and Active Funds
The Total Cost of an ETF
Pros and Cons of ETFs
How ETFs Can Be Used in Your Portfolio
Advanced: Commodity ETFs
Advanced: Leveraged and Inverse ETFs

Global Investing

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World Stock Market Capitalization
GDP Growth by Region
Global Stock Market Returns
Risk Level by Region
Global Investing
Growth through Global Investing
Comparing U.S. and International Stock Performance
Domestic versus Global
Key Differences between Developed and Emerging Markets
Regional Performance
Emerging-Market Performance
Undeveloped Opportunities
Emerging Markets Experience a Wider Range of Returns
Global Market Downturns and Recoveries
Correlations by Region
Global Winners and Losers
The Case for Emerging-Markets Bonds

Growth and Value Investing

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What Are Growth and Value Stocks?
Equity Investment Classification
Risk and Return by Size and Style
Range of Annual Returns
Growth and Value Investing
One-Year Growth and Value Cycles
Three-Year Growth and Value Cycles
Growth and Value Performance after Recessions
Blending Growth and Value
Style Winners and Losers
Morningstar Market Barometer

Investing for Retirement

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Advantages of 401(k) Investing
Sources of Retirement Income
Most Americans Are Not Saving Enough for Retirement
The Earlier You Start Investing, the Easier It Is to Reach Your Goals
Enhancing Your Wealth: Employer Match
Employers Are Cutting Defined Benefit Pension Plans
Ibbotson® SBBI®
Ibbotson® SBBI® after Taxes
Taxes Significantly Reduce Returns

Benefits of Deferring Taxes
Reduction of Risk over Time
Potential to Reduce Risk or Increase Return
Diversified Portfolios in Various Market Conditions
Potential Shortfall: The Risk of High Withdrawal Rates

Investing in a Rising-Interest-Rate Environment

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History of Interest Rates
Long-Term Government Bonds' Downturns and Recoveries (Line Graph)
Long-Term Government Bonds' Downturns and Recoveries (Bar Chart)
Intermediate-Term Government Bonds' Downturns and Recoveries (Line Graph)
Intermediate-Term Government Bonds' Downturns and Recoveries (Bar Chart)
Fixed-Income Mutual Fund Assets by Duration
Core versus Noncore Fixed Income
Cumulative Flows during the Past Four Periods of Rising Interest Rates
Large-Stock Dividend Yield versus 10-Year Treasury Yield
Monetary Policy Classification System
Average Performance of Asset Classes during Different Federal Reserve Regimes
Average Performance of Fixed-Income Sectors during Different Federal Reserve Regimes
Inflation, Not Rising Rates, Is the Biggest Bond Threat in the Long Term

Investor Behavior

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Seeing Is Not Believing
Rational Minds Can Act Irrationally
The Efficient Market Theory
Patterns of Investor Irrationality
Overconfidence
Overconfidence: False Perception
Hindsight Bias
Hindsight Bias: Technology and Real Estate Bubbles
Short-Term Focus
Short-Term Focus: Avoiding Potential Near-Term Losses
Short-Term Focus: Coping with Near-Term Fluctuations
Regret
Regret: Action versus Inaction
Mental Accounting
Mental Accounting: Sum of the Parts
Hot-Hand Fallacy
Hot-Hand Fallacy: Asset-Class Winners and Losers
Hot-Hand Fallacy: Chasing Fund Performance
Summary

Portfolio Diversification and Performance

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The Case for Diversifying
Stocks and Bonds: Risk versus Return
Diversified Portfolios in Various Market Conditions
Potential to Reduce Risk or Increase Return
Correlation Can Help Evaluate Potential Diversification Benefits
A Diversified Portfolio: Sum of the Parts
Asset-Class Winners and Losers
Hypothetical Portfolio Performance

Long-Term Portfolio Performance
20-Year Portfolio Performance
Portfolio Summary Statistics
Diversification May Lessen the Impact of Market Swings
Portfolio Risk Appears to Diminish over Time
Enhancing Diversification Using Real Assets

Principles of Investing

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Power of Reinvesting
Power of Compounding
Importance of Rebalancing
Managing Risk with Portfolio Rebalancing
Dangers of Market Timing
Dangers of Market Timing, Part II
Market Timing Risk
The Cost of Market Timing
Reduction of Risk over Time
Returns before and after Inflation
Can You Stay on Track?

Real Estate Investing

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Real Estate beyond Your Home
Real Estate Investment through Equity REITs
Consistent Long-Term Performance
Performance: Stocks, Bonds, Bills, and REITs
Reliable Income Returns
Retirement Income Vehicles
Correlation of Equity REITs to Stocks and Bonds
Potential to Reduce Risk and Increase Return: Stock and Bond Investors
Potential to Reduce Risk and Increase Return: Fixed-Income Investors
Retirement Portfolios
Direct Commercial Real Estate
Risk Levels of Real Estate versus Equities
Real Estate Has Experienced a Narrower Range of Returns
Diversification through Global Real Estate Investments
Growth in Equity Market Capitalization of Global Developed Real Estate
Global Returns
Regional Real Estate Correlation Comparison
Potential to Increase Return and Decrease Risk
Summary of Characteristics

Retirement Income

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Retirees Face Numerous Risks
Retirees Should Plan for a Long Retirement
Retirees Need to Replace a Significant Amount of Income in Retirement
Personal Savings Expected to Play a Larger Role in Retirement
Social Security Is under Strain
Income Return in Retirement
Inflation and Taxes Reduce Returns
Sustainable Withdrawal Rates Vary over Time
Withdrawal Rate You Can Sustain May Be Lower Than You Think



The Sequence of Returns Can Significantly Affect Your Retirement
Discussion of Simulation Criteria and Methodology
Interpreting Confidence Levels in Simulation
Simulation Can Illustrate the Probability of Achieving Outcomes
High Withdrawal Rates Will Quickly Deplete Your Assets
Market Performance Affects Chance of Portfolio Shortfall
Retirement Assets Deplete Faster With Higher Withdrawal Rates
Probability of Meeting Income Needs
Providing for Retirement Income

Risk and Volatility

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Types of Risk
Stock Diversification
Risk Tolerance Spectrum
Asset-Class Returns
Reduction of Risk over Time
Risk versus Return
Ibbotson® S&P®
Stock and Bond Volatility Varies
Risk Changes over Time
Inflation Risk: Stocks versus Fixed Income
Treasury Inflation-Protected Securities
Fixed-Income Maturity Risk
Liquidity Risk
Market-Timing Risk

Stocks and Bonds

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Investing in Stocks and Bonds
Ibbotson® S&P®
Ibbotson® S&P®: The Last 20 Years
The Past 10 Years
Stocks, Commodities, REITs, and Gold
Risk of Stock Market Loss over Time
Bond Market Performance
Relationship between Bond Prices and Yields
Fixed-Income Yields versus Average 10-Year Inflation
Bonds Produced Greater Income
Adding a Bond Allocation to Diversify
Risk versus Return
Asset-Class Winners and Losers
Stock and Bond Snapshots
Stock and Bond Portfolios

Target-Date Funds

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Structure and Characteristics of Target-Date Funds
Target-Date Fund Assets Continue to Rise
Tracking Investor Target-Date Fund Flows
Glide-Path Discussion
Risk Level at Retirement
Target-Date Funds Alter Allocations over Time
Target-Date Funds Display Lack of Consistency in Allocations

Risk Levels Differ by Target-Date Category
Proposed Disclosure for Target-Date Funds
Questions to Consider When Evaluating a Target-Date Fund

Taxes and Investment Performance

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Comparison of Highest and Lowest Marginal Tax Rates
Ibbotson® SBBI®
Ibbotson® SBBI® after Taxes
Ibbotson® SBBI® after Taxes and Inflation
Taxes Significantly Reduce Returns
Lower Capital Gains Taxes Have Benefited Stocks in Recent Years
Benefits of Deferring Taxes

SBBI Presentation

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Ibbotson® SBBI®
Ibbotson® SBBI® after Taxes
Ibbotson® SBBI® after Taxes and Inflation
Stocks and Bonds: Risk versus Return
SBBI Summary Statistics of Annual Returns (1926-2022)
Building Blocks for Expected Return Construction (1926-2022)
Optimization Inputs (1926-2022)
Basic and Derived Series, Annualized Monthly Standard Deviations
Reduction of Risk Over Time
Stock and Bond Volatility Varies
Risk of Stock Market Loss Over Time
Risk Changes Over Time
Growth and Value Investing
Morningstar Market Barometer
Asset-Class Winners and Losers

