



February 24, 2022

Dear Clients,

Over the last several days, we have witnessed a military escalation between Russia and Ukraine that is turning out to be worse than what was conceivable to many even just a few weeks ago. We know some of you have friends and family attached to what is happening abroad. We all are affected in some way by what happens globally. Our thoughts and prayers are with those directly involved.

We feel that times like these is when a steady hand is needed the most. Over the years, we have felt duty bound to increase contact with our clients when market or economic activity has experienced temporary distress. We make it a point as a firm to not run away from such adversity. These are certainly challenging times, but we can say with 100% conviction that staying level-headed is the best path to achieve long-term financial goals. Markets are resilient and prudence is king.

The conflict abroad has certainly riled markets and added volatility of late. Going back to 1928, corrections of 10% or more happen roughly every 19 months. It is something that we plan and prepare for and the reason why our Asset Track portfolios are 'hedged' and tactical rebalances happen regularly. However, just as corrections occur, rebounds are typically swift.

When markets get volatile, it can be tempting to change course. Each crisis, from geopolitical risks to changes in monetary policy, can feel daunting.

But rather than trying to predict what happens next, it's critical for investors to think clearly and *plan* for volatility. When faced with uncertainty, remember to 1) keep things in historical perspective, 2) stay invested, and 3) consider building resilience into your portfolio as part of your long-term plan.

Keep things in perspective

The table below illustrates the resilience of stock market returns just 12 months after a major selloff.

Dates of S&P's biggest declines	Black Monday 8/25/87- 12/4/87	Gulf War 7/16/90- 10/11/90	Asia Monetary Crisis 7/17/98- 8/31/98	Tech Bubble 3/27/00- 10/9/02	Financial Crisis 10/9/07- 3/9/09	Trade War 10/3/18- 12/24/18	COVID-19 Selloff 2/20/20- 3/23/20
U.S. stocks	-33.5%	-19.9%	-19.3%	-49.0%	-56.8%	-19.6%	-33.8%
Next 12 months	+21.4%	+29.1%	+37.9%	+33.7%	+68.6%	+37.1%	+77.8%

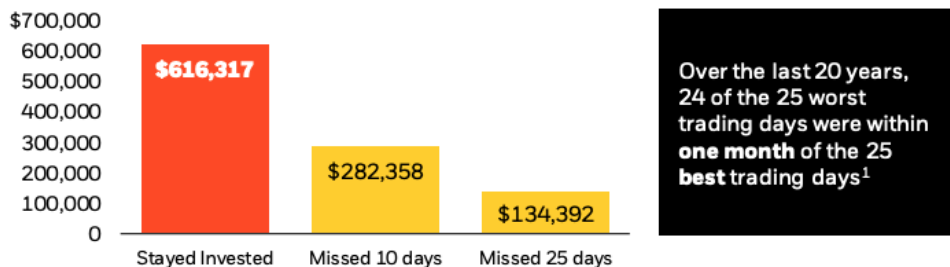
Source: Morningstar as of 12/31/21. Returns are principal only not including dividends. U.S. stocks represented by the S&P 500 Index. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You can't invest directly in an index.

Trying to time the market is an impossible task, history has shown that in the long-run, it is not a path to wealth generation. Tax consequences and timing risk cut returns

significantly. But, time *in* the market is what's rewarded. The chart illustrates how the S&P has performed in the following 12-months after a significant market drawdown caused by an external shock. Our takeaway from this data is to stay the course and continue to invest in both good and bad markets, you will be rewarded. Often, much sooner than expected.

Stay invested

Remember: it's time in the market, not timing the market. The chart below shows how a hypothetical \$100,000 investment in stocks would have been affected by missing just a few of the market's top-performing days over a 20-year period.



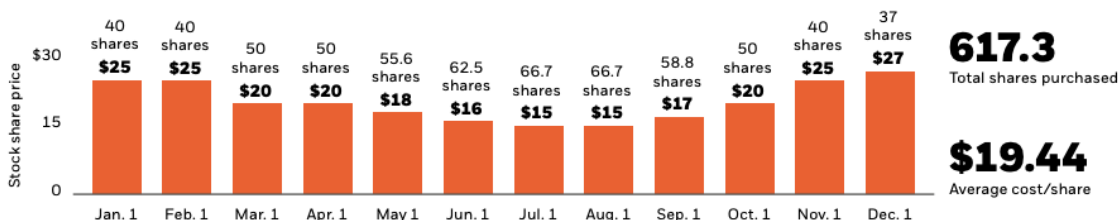
Sources: BlackRock Bloomberg, Morningstar as of 12/31/21. U.S. stocks are represented by the S&P 500 Index, an unmanaged index that is generally considered representative of the U.S. stock market. Index performance is for illustrative purposes only. It is not possible to invest directly in an index. ¹Only period without a corresponding best day within one month was September 17, 2001. Past performance does not guarantee or indicate future results.

While the equity markets may continue to experience volatility in the short-term (day-to-day moves are impossible to model), it's important to take solace in the fact that the fundamentals of our economy remain solid in our view, despite elevated levels on inflation. Again, if we're using history as our guidepost, 11 of the last 12 rate hike cycles since 1954 had positive annualized market returns ([Bloomberg](#)).

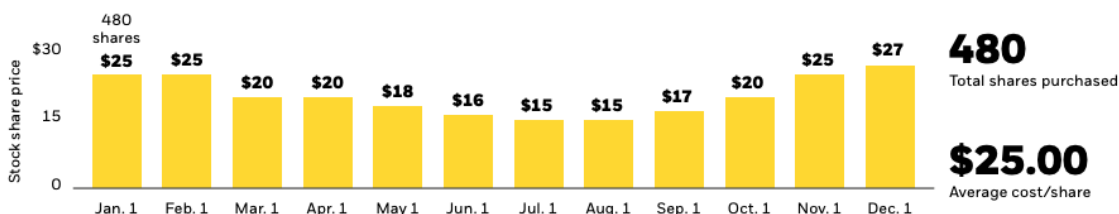
With roughly 80% of S&P 500 companies beating earnings expectations this quarter, we remind clients that it's important to stick to the basics, which means dollar-cost averaging and taking advantage of these corrections. We feel that we best serve you by looking at the data during periods of heightened volatility, while reiterating calmness and discipline.

Use dollar-cost averaging to help you achieve a better outcome when markets are volatile

Strategy 1: Systematically invest \$1,000 per month every month for a year regardless of share price



Strategy 2: Invest \$12,000 in a lump sum at the beginning of the year



The information provided is for illustrative purposes only and is not meant to represent the performance of any particular investment. Systematic investing does not guarantee a profit and does not protect against loss in declining markets. Systematic investing involves continuous investing so investors should consider their ability to make periodic payments in all market environments. **Investing involves risk including the loss of your entire principal.**

Thank you for your continued support, we remain committed to providing the best financial outcome for you and your family.

Best regards,

Arch Global Advisors, LLC
420 Madison Avenue, Suite 1202
New York, NY 10017
Phone: 212-991-8880
eFax: 718-937-8799
Email: info@archga.com
www.archga.com

Securities offered through Registered Representatives of Cadaret Grant & Co., Inc., a broker-dealer, member FINRA (www.finra.org)/SIPC (www.spic.org). Advisory services offered through Arch Global Advisors, a Registered Investment Adviser. Arch Global Advisors and Cadaret Grant are not affiliated.

Financial professionals associated with this site are registered to conduct securities business and licensed to conduct insurance business in certain states. Response to, or contact with, residents of other states will be made only upon compliance with applicable licensing and registration requirements. The information in this website is for U.S. residents only and does not constitute an offer to sell, or a solicitation of an offer to purchase brokerage services to persons outside of the United States. Past performance is no guarantee of future results.

Charts/Sources:

<https://www.blackrock.com/us/individual/literature/investor-education/strategies-for-volatile-markets-one-pager-va-us.pdf>

<https://www.blackrock.com/us/individual/literature/investor-guide/staying-calm-amid-market-volatility-va-us.pdf>

<https://www.bloomberg.com/news/articles/2022-01-23/u-s-stocks-historically-deliver-strong-gains-in-fed-hike-cycles?sref=oaecZ6Y7>