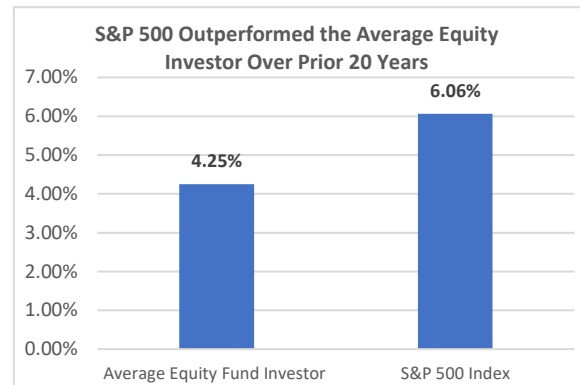


Harvesting Strategy

How to Be an Above Average Investor

With the S&P500 index already up 20% this year after gaining 18% in 2020, U.S. equity investors have been well rewarded. By focusing on [tax alpha](#) as well as investment alpha, investors could have increased their opportunities to perform even better than the market.

But a [recent study by Dalbar](#) revealed that the average equity mutual fund investor has been lagging the U.S. equity market by over 2% in the first half of 2021. According to Dalbar, many investors have lost out from their tendency to sell funds during market declines, only to then miss out on market rebounds. Their longer-term study states this was a major reason that the average equity fund investor underperformed the S&P500 by 1.81% annually over the first 20 years of the millennium – see chart.¹



Source: [Dalbar](#). Average annual returns over 20 years ending December 31, 2019

The good news is investors may be able to rise above the averages simply by adhering to a long term, [after-tax](#) investment plan. Make a plan or ask a financial advisor to help make you one.

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¹ Dalbar, Inc. "[2020 QAIB Report](#)"



Disclaimers:

Performance quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, so you may have a gain or loss when the portfolio is liquidated. Current performance may be higher or lower than that quoted. Performance of an index is not illustrative of any particular investment. It is not possible to invest directly in an index.

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