

IMPRESSIVE MARKET RESULTS SO FAR IN 2021

In August, the S&P 500, an Index comprised of the largest U.S. companies, rose 3%, continuing its positive monthly streak – now reaching seven months in a row of gains. The tech-heavy NASDAQ Index and Dow Jones Industrial Average posted gains as well. The NASDAQ rose approximately 4% and the Dow increased 1.5%.

The S&P 500 has achieved several remarkable feats in 2021:

- Let's start with performance. The Index has hit a record high 53 times in the first eight months of the year. Since 1928, there have only been five years with more record closes.
- Over the past 30 years, only three other years have had year-to-date performance that topped this year's S&P 500 return of 21% through August. In all three of those years, stocks continued to rally for the remaining four months of the year.
- Let's turn our attention to volatility. Since October 2020, there has not been a normal 5% pullback in the market. On average since 1950, the market has declined 5% or more three times each year before continuing its advance.

For patient equity investors, the market has rewarded them handsomely during the pandemic recovery. Looking at market data since the beginning of the COVID-19 pandemic, from the low on March 23, 2020, through August 16, 2021, the S&P 500 has doubled in value. The 354 trading



days stocks took to get there made it the fastest bull market since World War II to double from a bottom. To put that into perspective, it usually takes more than 1,000 trading days, or nearly 5 years, on average, for the market to double from a bottom.

Often, the key to an investor's financial success is the length of time that investor is in the market rather than trying to time the market and enter when there is a decline. One way to accomplish that objective is with an automatic purchase plan, which allows an investor to buy on a monthly or quarterly basis regardless of the direction of the market. Setting up recurring deposits enables investors to stay focused on long-term goals. It's easy to do and the funds can be automatically withdrawn from a checking or savings account. You might already be doing this through your company 401(k) or 403(b) plan. Speak with your Jemma Advisor for more details.



KATHARINE DUDLEY

Vice President, Client Advisor

443.279.2007

jemmafinancial.com

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