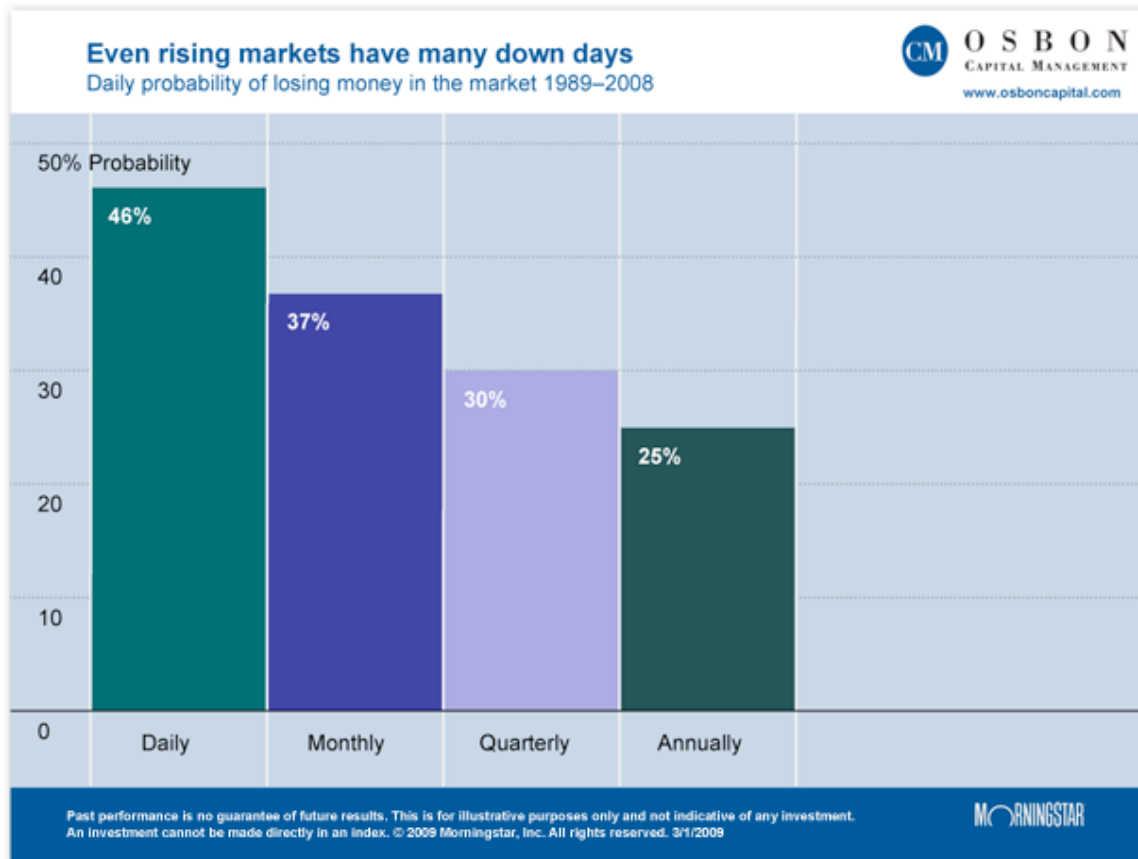




Quick Q & A #12

**Q: Will the market go up or down tomorrow?**



**A: Yes! But we can't know which.**

A dollar invested in the S&P 500 on January 1, 1989 rose in value to \$5.04 by the end of 2008 – a healthy annualized return of 8.4%. (Source: Morningstar) Nonetheless, the daily return of the index during that period was negative 46% of the time, and the monthly return was negative 37% of the time. Performance was somewhat better over one-year periods, but returns were still negative in 1 of 4 years.

This daily data – 46 steps backward for every 54 forward, on average – points to the difficulty of trying to time the market. We feel it is not practical



or cost-effective to try to jump in and out of the S&P or any other investment hoping to catch upswings and miss downturns. Instead we advocate buying, holding, and rebalancing a diversified portfolio of index ETFs that represent a wide spectrum of asset classes.

**Read more:** [More Quick Q&As from Osbon Capital Management](#)

**Next time:** Isn't "passive" just a fancy word for "lazy"?

**Contact:** John Osbon 617-217-2772 [josbon@osboncapital.com](mailto:josbon@osboncapital.com)

**Visit:** [www.osboncapital.com](http://www.osboncapital.com)

*Osbon Capital Management, LLC ("Osbon") is an SEC registered investment adviser with its principal place of business in the Commonwealth of Massachusetts. Osbon and its representatives are in compliance with the current notice filing requirements imposed upon registered investment advisers by those states in which Osbon maintains clients.*

*Performance refers to the Standard & Poor's 500®, which is an unmanaged group of securities. The data assumes reinvestment of all income and does not account for taxes or transaction costs. Source: Morningstar, Inc.*

*Any historical returns are not net of advisory and/or other fees and expenses. Past performance is no guarantee of future results. There is no guarantee that the views and opinions expressed in this Q&A will come to pass. Investing in the stock market involves gains and losses and may not be suitable for all investors. Information presented herein is subject to change without notice and should not be considered as a solicitation to buy or sell any security.*

*For additional information about Osbon, including fees and services, send for our disclosure statement as set forth on Form ADV using the contact information herein. Please read the disclosure statement carefully before you invest or send money. For information pertaining to the registration status of Osbon, please contact Osbon or refer to the Investment Adviser Public Disclosure web site ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).*