

“TIME IN” THE MARKET— NOT “TIMING” THE MARKET

MARKET VOLATILITY TIP

Stay invested. Investors who pull their money out of equities in volatile times may risk missing some of the stock market’s biggest gains. That’s because some of the market’s best days have come right after periods of steep declines—when many market timers are still sitting on the sidelines. Missing key days in the market can have a significant negative impact on long-term results.

MISSING THE BEST DAYS IN THE MARKET SUBSTANTIALLY REDUCED RETURNS

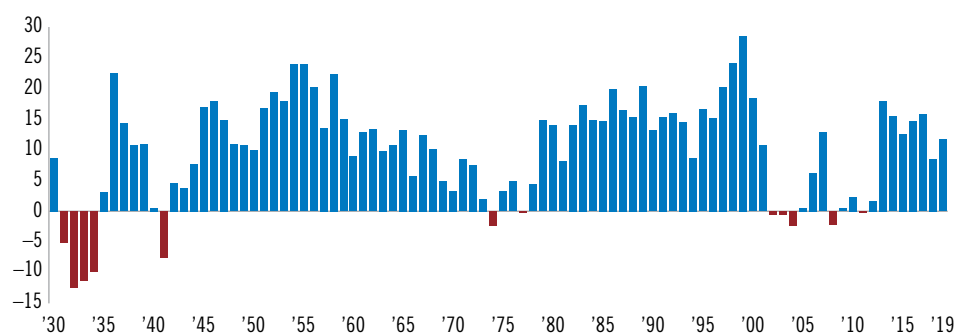
January 1999—December 2019	S&P 500 Annualized Total Returns	Growth of \$10,000
All trading days	6.06%	\$32,421
Minus 10 best days	2.44%	\$15,390
Minus 20 best days	0.08%	\$9,741
Minus 30 best days	-1.95%	\$6,490

As of 12/31/2019. Source: Morningstar and PGIM Investments, S&P 500 TR USD Index. This example is for illustrative purposes only and is not indicative of the performance of any investment. It does not reflect the impact of taxes, management fees, or sales charges. The S&P 500 is a weighted, unmanaged index composed of 500 stocks believed to be a broad indicator of stock price movements. Investors cannot buy or invest directly in market indexes or averages. Past performance is no guarantee of future results.

“TIME IN” COUNTS: INVEST FOR THE LONG TERM

Over one-year periods, the stock market can be unpredictable. But if you expand your time horizon to five years or more, volatility may decrease significantly. A rolling return is the annualized average return for a period ending with the listed year. Rolling returns are useful for examining the behavior of returns for holding periods similar to those experienced by serious, long-term investors. In the chart below, you can see that over 90 periods, the five-year rolling return for the S&P 500 was positive 87% of the time, or in 78 out of the 90 periods.

FIVE-YEAR HOLDING PERIODS FOR THE S&P 500 (1930–2019)



Source: Morningstar EnCorr, 1930–2019, as of 12/31/2019. All rights reserved. Used with permission. This chart is for illustrative purposes only and is not meant to depict the performance of any specific investment. The S&P 500 is a weighted, unmanaged index composed of 500 stocks believed to be a broad indicator of stock price movements. Investors cannot directly invest in an index. Past performance is no guarantee of future results.

HELPING INVESTORS PARTICIPATE IN GLOBAL MARKET OPPORTUNITIES

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