

Investing with a Long-Term Focus

Benefits of staying invested through various market environments

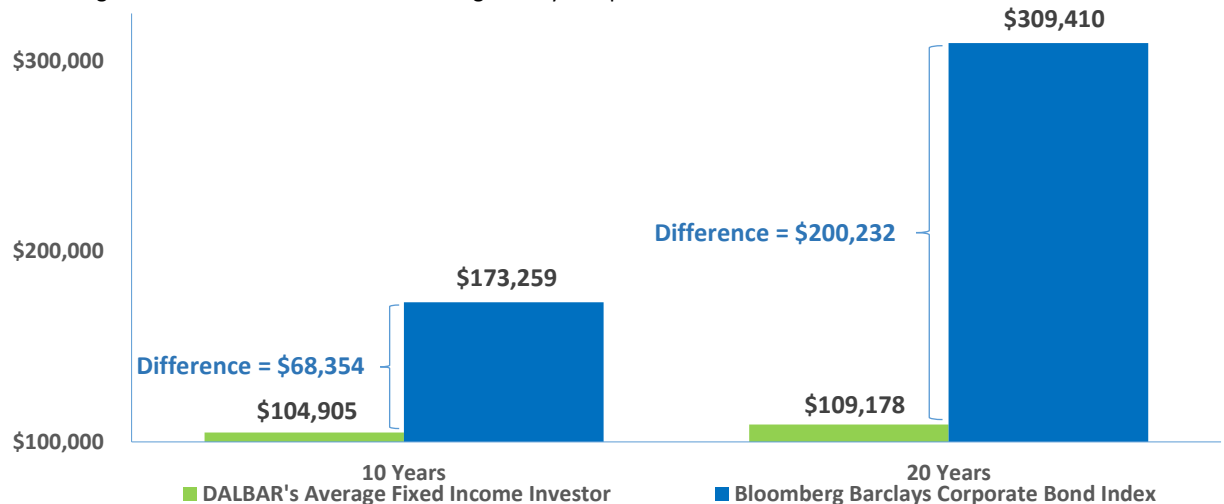
Since 1994, DALBAR¹ has published their annual *Quantitative Analysis of Investor Behavior* report, which has consistently shown that average investors have underperformed the market. In their 2018 study, DALBAR comes to the same conclusion as prior years: **investors tend to have a short-term focus, and they attempt to time the markets resulting in underperformance relative to their respective benchmarks.** DALBAR cites investor psychology as the primary factor for this behavior, which is influenced by emotional biases. Misconceptions about how fixed income investments act in various market environments may also contribute to poor investor decisions and outcomes.

The chart below illustrates the significant reward for having a long-term focus and staying invested through complete market cycles.

Periods ended 12/31/2017	DALBAR's Average Fixed Income Fund Investor (%) ²	Bloomberg Barclays Corporate Bond Index (%) ³	Difference (%)
10-year average annual return	0.48	5.65	-5.17
20-year average annual return	0.44	5.81	-5.37

Growth of a hypothetical \$100,000 investment ended 12/31/2017

DALBAR's Average Fixed Income Investor vs. Bloomberg Barclays Corporate Bond Index



Please contact us for a complimentary copy of DALBAR's 2018 *Quantitative Analysis of Investor Behavior* and to hear our thoughts on how investor outcomes can potentially improve by understanding their psychological traps and focusing on the long-term.

This information is for comparative purposes only, based on or derived from information generally available to the public from sources believed to be reliable. No representation is made to its accuracy or completeness.

Returns for average fixed income investors attributed to DALBAR represent returns for a hypothetical average fixed income fund investors and do not reflect actual investments. DALBAR uses data from the Investment Company Institute (ICI), Standard & Poor's, Bloomberg Barclays Indices and proprietary sources to compare mutual fund investor returns to an appropriate set of benchmarks. Covering the period from January 1, 1988 to December 31, 2017, the study utilizes mutual fund sales, redemptions and exchanges each month as the measure of investor behavior. These behaviors reflect the "Average Investor."

Figures shown are past results and are not predictive in future periods. The Bloomberg Barclays Corporate Bond Index is unmanaged and has no expenses. You cannot invest in the Index.

This information is intended solely to report on investment strategies identified by Cincinnati Asset Management. Opinions and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. This material is not intended as an offer or solicitation to buy, hold or sell any financial instrument. Fixed income securities may be sensitive to prevailing interest rates. When rates rise the value generally declines. Past performance is not a guarantee of future results. Gross of advisory fee performance does not reflect the deduction of investment advisory fees. Our advisory fees are disclosed in Form ADV Part 2A. Accounts managed through brokerage firm programs usually will include additional fees. Returns are calculated monthly in U.S. dollars and include reinvestment of dividends and interest. The index is unmanaged and does not take into account fees, expenses, and transaction costs. It is shown for comparative purposes and is based on information generally available to the public from sources believed to be reliable. No representation is made to its accuracy or completeness.

¹ DALBAR, Inc. is the financial community's leading independent expert for evaluating, auditing and rating business practices, customer performance, product quality and service.

² DALBAR *Quantitative Analysis of Investor Behavior* report 2018

³ The Bloomberg Barclays Corporate Bond Index is an unmanaged index that measures the Investment Grade, fixed-rate, taxable, corporate bond market and has no expenses. You cannot invest in the Index.