It’s time in the market, not market timing

Think about this: $10,000 invested in the S&P 500 at the beginning of 1997 would have grown to $43,175 over 20 years — an average return of 7.59% per year.
MISSING THE ‘BEST’ DAYS CAN BE COSTLY

$10,000 investment made on January 2, 1997, through December 31, 2016, would have grown to $43,175

Missing the ‘best’ days can be costly

An investment would be worth ($)

<table>
<thead>
<tr>
<th>Days missed</th>
<th>Annualized returns (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>+7.59</td>
</tr>
<tr>
<td>10</td>
<td>+3.94</td>
</tr>
<tr>
<td>20</td>
<td>+1.55</td>
</tr>
<tr>
<td>30</td>
<td>-0.52</td>
</tr>
<tr>
<td>40</td>
<td>-2.41</td>
</tr>
<tr>
<td>50</td>
<td>-4.13</td>
</tr>
<tr>
<td>100</td>
<td>-11.03</td>
</tr>
</tbody>
</table>

Source: Legg Mason. Past performance is no guarantee of future results. These charts and references are for illustrative purposes only and do not represent an actual investment or the performance of any specific investment.

The S&P 500 Index is an unmanaged index of 500 stocks that is generally representative of the performance of larger companies in the U.S. An investor cannot invest directly in an index. Unmanaged index returns do not reflect any fees, expenses or sales charges. Dividends are subject to reinvestment.

INVESTMENT PRODUCTS: NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE
The sobering lesson

Pulling money out of the market in down periods may reduce long-term returns. When the market rebounds, it may happen quickly and suddenly. And missing even a few trading days could mean missing some of the market’s biggest gains. If an investor missed just 10 days, in the 5,052 trading days from January 2, 1997–December 31, 2016, returns could be cut in half.¹

¹ Source: Legg Mason. Past performance is no guarantee of future results. These charts and references are for illustrative purposes only and do not represent an actual investment or the performance of any specific investment. Principal value and investment returns will fluctuate, and investors’ shares, when redeemed, may be worth more or less than the original cost.
Legg Mason is a leading global investment company committed to helping clients reach their financial goals through long-term, actively managed investment strategies.

- A broad mix of equities, fixed-income, alternatives and cash strategies invested worldwide
- A diverse family of specialized investment managers, each with its own independent approach to research and analysis
- Over a century of experience in identifying opportunities and delivering astute investment solutions to clients

Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.

The Advisor Partnership Program (TAPP)® is Legg Mason's landmark value-added offering, featuring a wide range of multidimensional workshops and seminars that empower financial advisors to build successful practices and educate their clients. TAPP delivers value in three areas of importance to advisors: Practice Management, Addressing Client Needs, and Investor Education. **Practice Management** offers comprehensive resources for developing a value proposition and client acquisition. **Addressing Client Needs** provides in-depth materials to help advisors engage and inform their clients on a variety of topics. **Investor Education** offers valuable resources to keep you and your clients informed.

**Where can I find more information?**

History tends to repeat itself. Legg Mason seeks to ensure that your portfolio can withstand and recover from the inevitability of market corrections and portfolio losses, with a balance of strategies that addresses your need for portfolio growth, income, capital appreciation and risk management. Talk to your financial advisor today about the right investing strategy for your situation.

**What should I know before Investing?**

All investments involve risk, including possible loss of principal. Equity investments generally provide an opportunity for more capital appreciation than fixed income investments, but they are subject to greater market fluctuations.