We believe equities as an asset class have a positive long-term expected return. However, returns are not achieved in a straight line and there are often periods of increased volatility and substantial losses. Clients can lose sight of the broader picture during challenging market periods.


Our research has shown substantial drawdowns in equity prices are often related to weak, declining, and/or recessionary economic environments. Investment managers like Astor seek to reduce exposure to these periods so clients can achieve financial goals on their timelines instead of waiting multiple years for prices to recover.


Our proprietary Astor Economic Index® aggregates specific data points to create a quantifiable output that can be used to measure risk levels, and help navigate a portfolio throughout market cycles. The Astor Economic Index® seeks to identify shifts in economic growth by analyzing trends instead of absolute numbers.

Source: Astor, Bloomberg, NBER Data: 12/31/1999 - 6/30/2020
Disclosures:

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Drawdown: A drawdown represents the loss experienced during a period and is calculated as the difference from the peak price to the lowest price in the period.

Recession: A recession as defined by the National Bureau of Economic Research (NBER) is a significant decline in economic activity over a period of time as witnessed by data such as real GDP, real income, employment, industrial production, and retail sales.

S&P 500 TR Index®: The S&P 500® Index measures the performance of 500 large capitalization stocks, which together represent approximately 80% of the total equities market in the United States. The S&P 500® is a registered trademark of McGraw Hill Financial. A total return (TR) is a type of equity index that tracks both the capital gains of a group of stocks over time, and assumes that any cash distributions, such as dividends, are reinvested back into the index.

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