



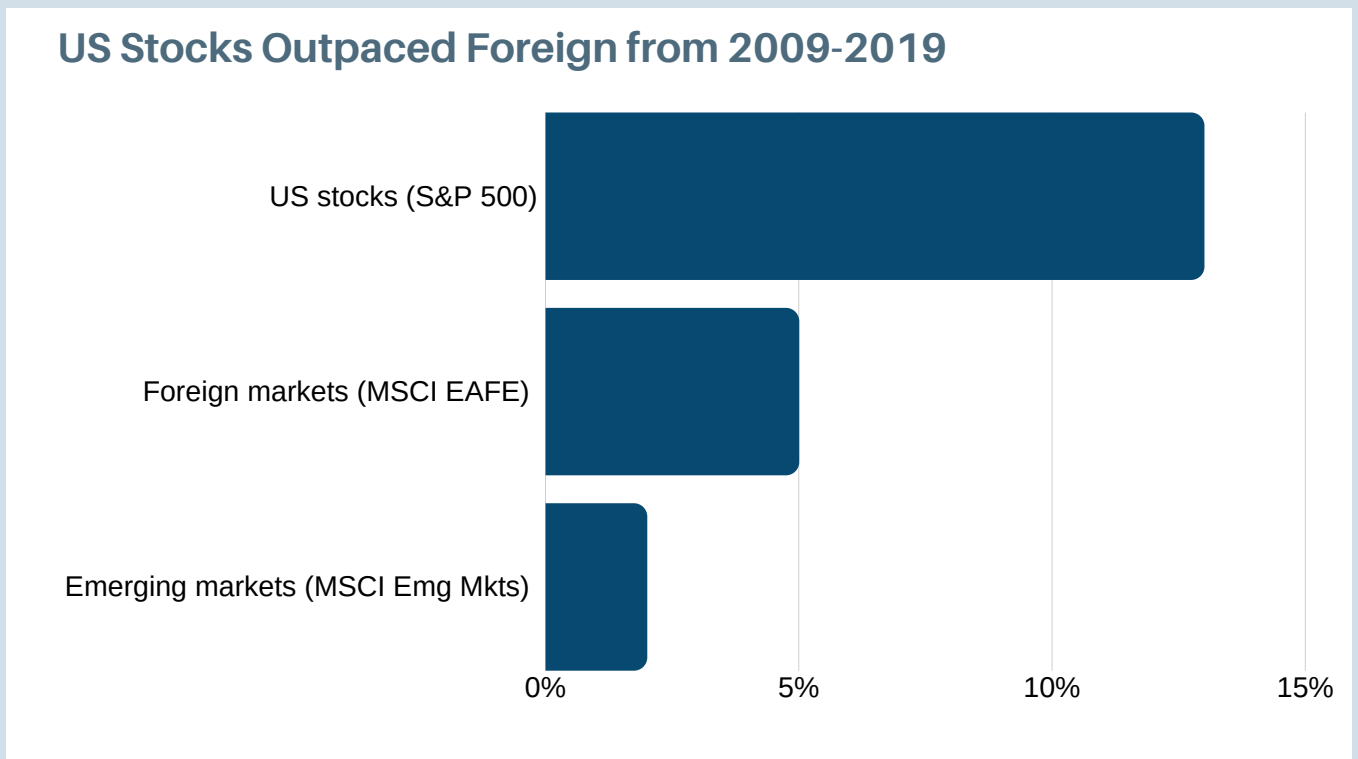
Are you prepared for a big shift in the markets?

**What fund investors need to know
now to get ahead in the 2020s**

How long can the US stock trend last?

US large-cap stocks have been a great investment for the last 10 years, strongly outperforming foreign stocks, particularly emerging markets.

But what will happen in the wake of the pandemic?



The chart shows the annualized returns for US stocks (S&P 500 Index), foreign stocks (MSCI EAFE Index), and emerging markets (MSCI Emerging Markets index) for the 10 years ending December 31, 2019.

What we know from past decades

Each decade has its own dominant investment theme

Ruchir Sharma, chief global strategist at Morgan Stanley and the author of two books on global economic trends, found that each decade had one dominant investment theme. What works in one decade, however, often doesn't do well in the the next decade—which doesn't bode well for US mega-cap stocks.

Decade	Investment Theme
1960s	Nifty Fifty (50 large US stocks)
1970s	Emerging markets/commodities
1980s	Japan
1990s	US tech
2000s	Emerging markets/commodities
2010s	Mega cap US
2020s	?

"If history is a guide, the 2020s will be anything but another American decade. Economic trends that define one decade rarely define the next."

Ruchir Sharma, New York Times, January 2020

What stocks will lead in the 2020 decade?

The Covid-19 pandemic has disrupted global economies and will no doubt affect the next decade.

You might think, "If US large-caps may not be the best place to invest in the next 10 years, then maybe I should sell out of large-cap funds now." Here's why that could be a mistake:

Investment themes don't follow a calendar.

Themes typically don't start on the first day of a new decade and stay in place for exactly 10 years; they tend to develop over time. Many factors contribute to the popularity and performance of sectors and geographic regions.

Themes don't necessarily lead in every year of a decade.

US technology stocks ultimately dominated the 1990s, but foreign markets did better in 1993 and 1994. And emerging markets outpaced US stocks in 2010 and again in 2012 in the midst of what we now know was a US decade. So far, US stocks have remained in favor in the first half of 2020.

Themes are impossible to predict in advance.

If you sold US large-caps now, what would you buy instead? No one knows today what theme or which area of the market will lead in the coming decade.

How to move forward in 2020s

Here are three essential steps to help you capitalize on changing markets and get ahead in the 2020s:

1. Be open to many investment opportunities

Don't limit yourself to only US stock funds and ETFs. Make sure you're also considering foreign and emerging funds, small- and mid-cap funds, and value funds —these could turn out to be important investments during the next 10 years.

2. Stay alert to changing markets

At the start of the 2020 decade, it may be hard to fathom that US mega-cap stocks won't always be in favor since these stocks have repeatedly bounced back from recent setbacks, including the bear market in the first quarter of 2020. But history shows that the US trend will eventually give way to something new, and investors who get stuck in the past often get left behind.

3. Work with advisor who adapts as markets change

You don't have to navigate changing markets on your own. FundX specializes in helping clients align with leading investment trends--it's what we've been doing since 1969.

Invest with FundX

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FundX Investment Group is San Francisco-based registered investment advisor (RIA) that has actively managed portfolios of funds and ETFs for high-net-worth individuals, corporate retirement plans, and foundations since 1969.

We developed an evidence-based investment process that's helped thousands of investors adapt to changing market themes and reach lifelong investment goals.

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\$500,000 minimum