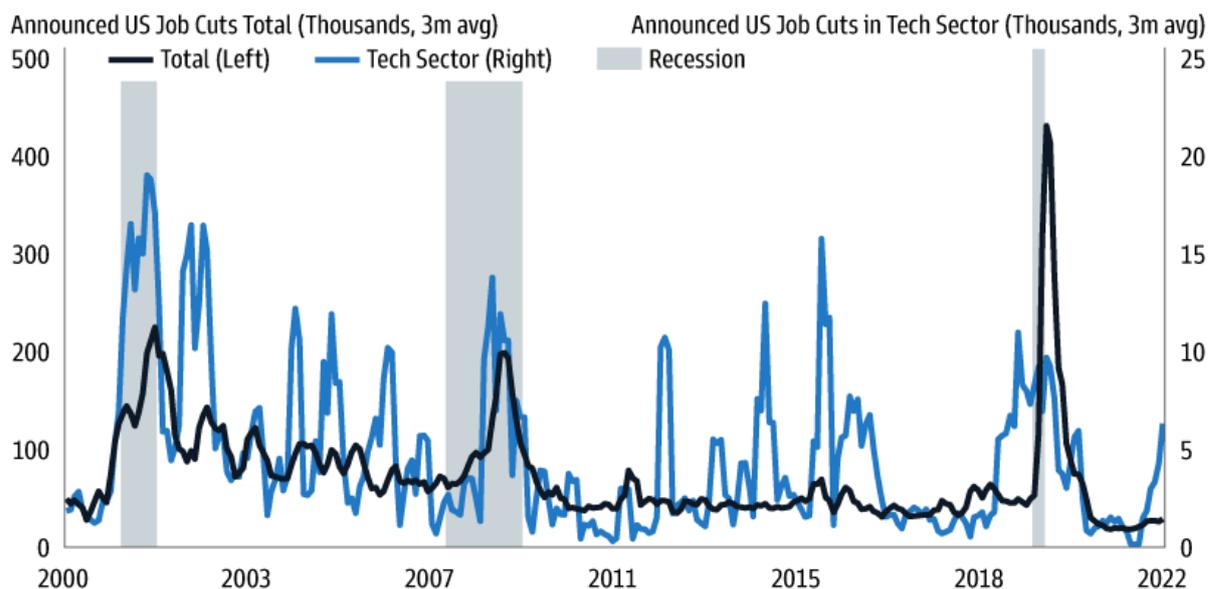


Recent Technology Sector Layoffs: Not necessarily an indicator of higher unemployment- some data insights below

Over the past few weeks, we have seen a number of small and large firms in the technology sector laying off, or announcing plans to lay off, significant amounts of their current staff. Questions that some clients may be wondering: Is this conducive of a large crash to come with much higher unemployment across all sectors? Is this just linked to a handful of companies within the tech sector or possibly a sign of worse times ahead?

We believe that tech layoffs are not necessarily indicative of a large uptick in unemployment, since **1)** the tech sector in fact makes up a relatively small share of aggregate employment, **2)** tech job openings are well above pre-pandemic levels, **3)** most spikes in announced tech layoffs have not preceded spikes in announced total layoffs (as can be seen below).



Source: Challenger, Gray, & Christmas. Bureau of Labour Statistics. GS GIR. Goldman Sachs Asset Management.

Patience- The benefits of staying invested

The chart below emphasises the importance of 'time in the market' over 'timing the market'. This study relates to the performance of the S&P 500 index and uses data from September 2002 up to September of this year.

An investor would have earned a 9.76% annualized return had they stayed invested over the course of the whole 20 years. In comparison, had that investor wrongfully timed the market and missed the 10 best days they would have seen just a 5.56% annualized return. The same goes for missing the 20 best days (2.94% return) and 30 best days (0.79%).

The following is what the difference would have looked like for a \$10,000 initial investment:

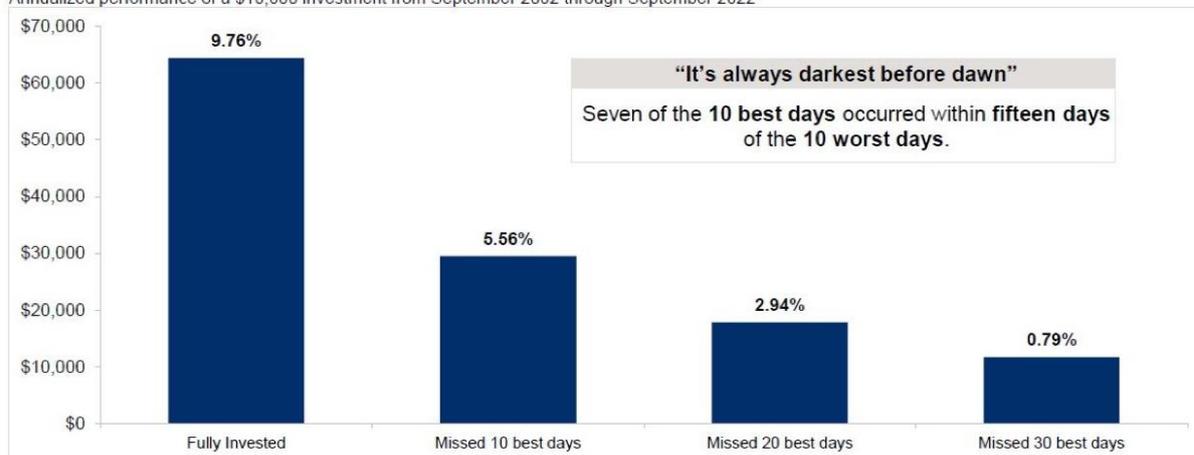
- Fully invested: \$65,000
- Missed 10 best days: \$30,000
- Missed 20 best days: \$20,000

It is also worth noting that 7 of the best days occurred within 15 days of the worst 10. This, in our view, shows that it is incredibly difficult to time the market effectively. 'Time in the market > timing the market'.

➤ **Staying invested!** Get back to being a long-term investor, not trying to time the market

PERFORMANCE OF THE S&P 500

Annualized performance of a \$10,000 investment from September 2002 through September 2022



Source: JP Morgan Asset Management, Morningstar Direct.