

QUARTERLY NEWSLETTER

FOURTH QUARTER 2026

In this Q4 newsletter, we discuss an old Wall Street Adage: “Sell in May and Go Away” and also recognize Trio Wealth’s three-year anniversary.

Year-to-Date Asset Class Returns (1/1/2026 through 09/30/2026)

Equity Indices	Asset Class	3rd Quarter	2026
S&P 500 Index	U.S. Large Capitalization	2.52%	12.75%
S&P Mid-Cap 400 Index	U.S. Medium Capitalization	-5.56%	9.88%
S&P Small-Cap 600 Index	U.S. Small Capitalization	-7.43%	14.08%
Russell 3000 Index	U.S. Equity	1.63%	12.43%
MSCI Europe, Asia & Far East	International - Developed	1.36%	10.81%
MSCI Emerging Markets	International - Emerging	-0.21%	23.73%
Fixed Income Indices			
Bloomberg US Agg Float Adj. Index	U.S. Bond Market	-3.33%	-2.91%
Current Yields		Yield – Quarter End	
Treasury 1 Year	U.S. Treasury	4.54%	
Treasury 5 Year	U.S. Treasury	5.09%	
Treasury 10 Year	U.S. Treasury	5.29%	

Wall Street Adage: “Sell in May and Go Away”

War in the Middle East. \$100+ oil. Renewed inflation concerns. Rising interest rates. 10-year Treasury yields above 5%. Slowing employment. AI bubble concerns and even warnings about the potential risks of artificial intelligence.

These were among the headlines dominating the past three months. Despite the uncertainty, the S&P 500 gained 2.52%, while mid-cap and small-cap stocks retreated from their mid-year highs, declining 5.56% and 7.43%, respectively. Periods like this can understandably make investors nervous and bring to mind an old Wall Street adage: “**Sell in May and go away.**”

The saying is based on the historical tendency for stocks to perform better from November through April than from May through October. The strategy calls for reducing stock exposure in May, shifting to cash or other defensive investments, and returning to stocks in November.

At Trio Wealth, our investment philosophy requires us to be students of the markets. So, we examined both long-term and recent performance to see whether “Sell in May” still holds true—and, more importantly, *how it compares with simply maintaining your allocation and staying invested.*

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Supporting the Case

There is good reason the “Sell in May” adage has survived for generations. Since 1950, the S&P 500 has averaged approximately 7.1% from November through April, compared with roughly 1.7% from May through October, according to CFRA. That’s a meaningful difference—and it helps explain why the phrase resurfaces nearly every spring.

Other historical periods tell a similar story. From 1970 through 2023, the S&P 500 returned an average of approximately 6.5% during November–April, compared with just 1.6% during May–October. Looking back even further, since 1945 the S&P 500 gained nearly 7% on average from October 31 through April 30, with the market rising approximately 75% of the time. By comparison, stocks advanced an average of approximately 2% from April 30 through October 31, with positive returns about 66% of the time. In other words, the historical seasonal pattern is real. But that doesn’t necessarily mean investors have been better off trying to trade around it.

Refuting the Case: Why Staying Invested Still Wins Over the Long Term

More recent history paints a different picture. Looking at S&P 500 returns since 2019, the average return during the May–October period has been approximately 8.7%, compared with 7.5% during the November–April period.

May itself has also behaved differently in recent years. Since 2013, May has averaged a positive return of approximately 1.5%, with 12 of the past 13 years finishing the month in positive territory. While the longer-term seasonal pattern remains evident, recent results have been considerably more constructive.

But perhaps the most compelling argument against “Sell in May” isn’t whether one six-month period

historically outperforms another. It’s what happens to investors who repeatedly step out of the market. From January 1950 through May 2025, a buy-and-hold strategy produced a cumulative return of approximately 34,177%, equivalent to an 8.05% compound annual growth rate. Over the same period, a “Sell in May” strategy produced approximately 14,863%, or a 6.86% compound annual growth rate. That seemingly modest difference of 1.19 percentage points per year becomes enormous when compounded over decades.

Similarly, historical data from 1929 through 2023 indicates that following a “Sell in May” strategy would have resulted in an average annual return approximately 2.1 percentage points lower than simply remaining invested.

The Bottom Line

The long-term seasonal pattern is real: over many decades, November through April has historically been a meaningfully stronger period for stocks than May through October. But identifying a historical pattern and successfully

turning that pattern into an investment strategy are two very different things. Markets don’t follow a calendar. Selling in May requires an investor **to make two successful timing decisions every year—when to get out and when to get back in**. It also introduces potential taxes, transaction costs and, perhaps most importantly, the risk of missing periods of strong market appreciation.

History continually reminds us that there will always be reasons not to invest. Wars, elections, recessions, inflation, interest rates, technological disruption and geopolitical uncertainty can make stepping aside feel prudent in the moment. But for long-term investors, maintaining an appropriate allocation and remaining disciplined through periods of uncertainty has historically been a far more reliable strategy than trying to predict when markets will rise or fall.

At Trio Wealth, that is why we believe successful investing is less about predicting what happens next—and more about having a financial plan and investment strategy designed to endure whatever happens next.

Trio Wealth ~ 3 Years On...

As we began preparing this edition of Trio Wealth’s quarterly newsletter, we realized that this quarter marks an exciting milestone—our third anniversary. In fact, it has already been more than three years since co-founders Michelle Hundley and Kevin McLoughlin began laying the foundation for what Trio Wealth has become today. We are incredibly grateful for the trust our clients have placed in us. Our growth has allowed us to expand our team by welcoming Wealth Advisors, Lauren Bell and Charlotte Bell, whose dedication and expertise have significantly enhanced both the client experience and the capabilities of the Trio Wealth platform. We are thrilled to have the opportunity each day to help individuals and families pursue their financial life goals.

Until next time....

Thank you for your continued trust in us. As always, if you would like to talk through any information in this newsletter, please do not hesitate to reach out to your Trio Wealth advisor – we are always here to help.

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