

Delta Investment Management is a registered investment advisory firm. Delta welcomes discussions with individuals seeking investment advice and advisors seeking a new turnkey asset management solution.

Delta manages portfolios at TD Ameritrade and Schwab.

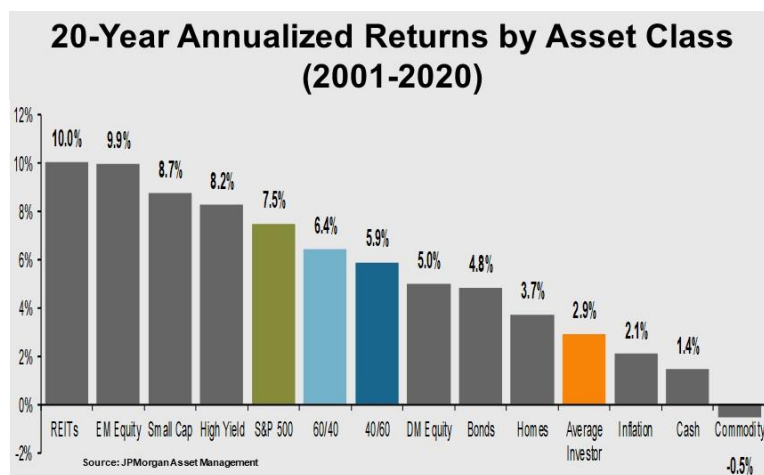
Please contact Delta at info@deltaim.com or 415-249-6337 to learn more.

September 24, 2021

Rules

In difficult times, rules can help guide you through safely. In the Transporter movie series, actor Jason Stratham's three rules are: 1) never change the deal, 2) no names and 3) never open the package. His discipline in following these rules allows his character to survive dangerous, action-packed segments of movie scripts. The key is Jason knows his rules prior to encountering difficulties and sticks to his rules during the difficult times.

Before investing, an investor should have established their investment rules and be prepared to stick with them. For example, if an investor is following a buy-and-hold strategy, it is important they hold through market sell-offs rather than sell on a low for emotional reasons. JP Morgan estimates the typical retail investor has earned an average annual return of 2.9% versus a buy-and-hold 60/40 equity/bond portfolio return of 6.4% from 2001 through 2020.



Do you have investment rules? Do you have confidence in your investment rules and will you stick with them in uncertain markets?

Some common rules of investing are:

- Establish a financial plan
- Start saving and investing today
- Build a diversified portfolio
- Minimize taxes
- Protect against significant losses
- Ignore the noise (be disciplined about following your rules)

Delta has established investment rules for its various strategies. The different rule-sets are designed to meet various investment objectives across a range of risk tolerance levels and performance expectations.

Many of Delta's investment rules are designed to help protect client accounts against significant loss. To create an investment rule, Delta rigorously examines market history to determine what relationships might remain constant in the future. The detailed analytics combined with decades of professional investment and trading experience enable Delta to establish robust investment rules.

From high to low in September, the S&P 500 declined roughly 5.3%. Since 1950, there have been 43 occurrences of the S&P 500 pulling back between 5-10%. On average, the market reached a new high 34 days later. Unless the economy moves into a recession, market pullbacks tend to be measured in months rather than years.

S&P 500 Drawdowns 1/1/1950 – 9/20/2021			
Drawdown %	Occurrences	AVG Days to Recovery	AVG Days of Decline
5-10	43	34	24
10-20	14	72	96
20-30	4	182	260
30-40	3	322	154
40+ Recessions *	3	1215	476

* 1973/74, 2000/02, 2008/09 Recessions

**Current Drawdown if 9/20/2021 was the Low
-5.3%, 12 Days of Decline, Recovery ?**

Delta offers clients rules-based strategies to keep emotions in check and optimize portfolio results in market environments like what we are experiencing today. Based on your financial circumstances, investment objectives and age, investment rules can be implemented to give you peace of mind in the tough times. Going into a difficult market environment, you should already have a game plan in place. If you have the discipline to stay with the plan, you should significantly increase the likelihood of achieving your investment objectives over time.

Let Us Help You Position Your Portfolio – Give Us a Call Today

We have unique and sophisticated investment methods that seek to capture the stock market's gains while minimizing drawdowns in bear markets. If you would like to learn more about how we manage money, we invite you to give us a call at **(415) 249-6337**, visit www.deltaim.com or email us at info@deltaim.com.



Delta Stock Market Dashboard

MARKET SENTIMENT IS

BULLISH

THIS WEEK'S NUMBER IS

47.1

Our technical indicator decreased
from 55.0 to 47.1 this week

INDICATOR STATISTICS

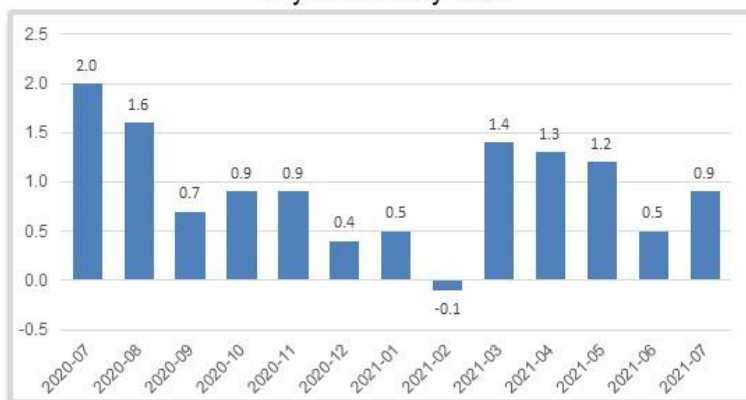
Consecutive Bullish Weeks:	7
Cycle Inception Date:	8/12/2021
Range:	47.1 – 64.6
Mean:	55.5
Bullish Weeks YTD:	35
Bearish Weeks YTD:	3
*S&P 500	-1.4%
*DJIA	-3.2%
*NASDAQ	0.5%

* Percentage change during current cycle

Delta Market Sentiment Indicator Over the Past Year



Leading Economic Index % Change Monthly July 2020 – July 2021



Source: The Conference Board—last update 08/19/2021

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