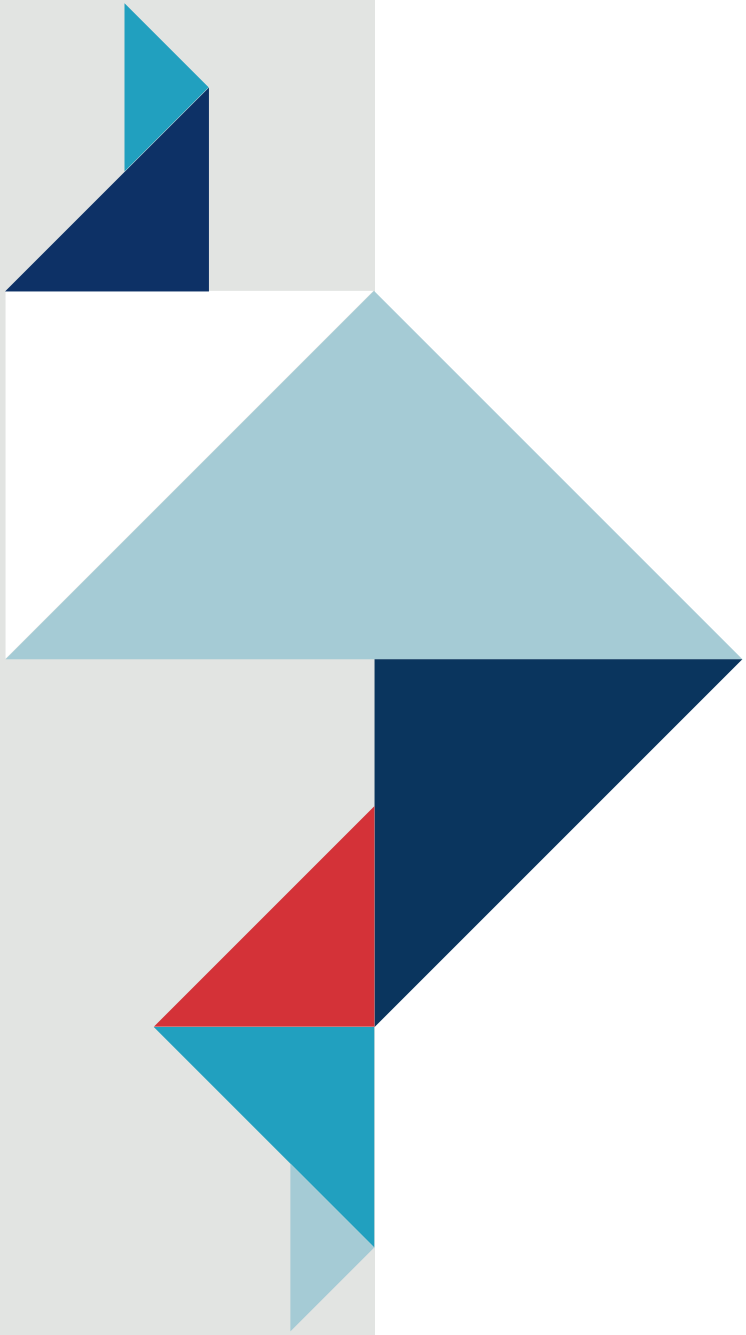

The Charts You Need to See

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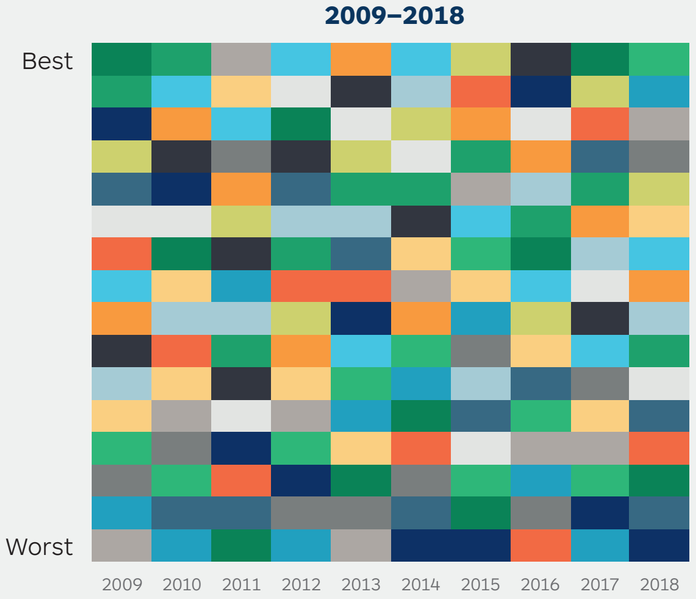
It’s Impossible to Know How Investments Will Perform

Annual performance of 16 major asset classes and market sectors. Each color represents an asset class or market sector. As you can see, returns are random!



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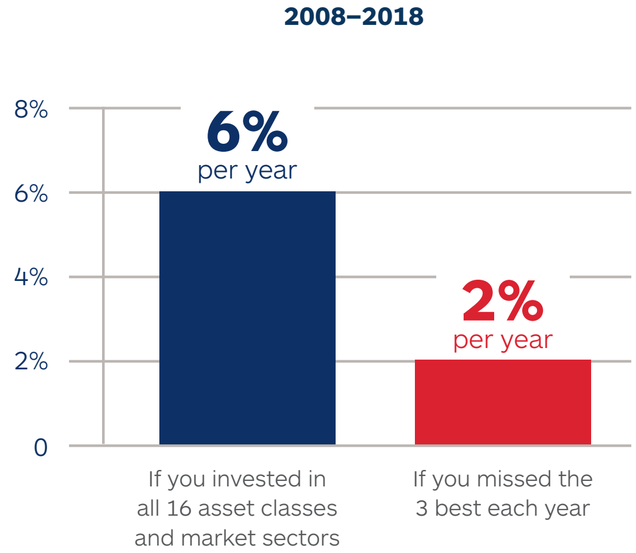
Source: Morningstar. An index is a portfolio of specific securities (common examples are the S&P, DJIA, NASDAQ), the performance of which is often used as a benchmark in judging the relative performance of certain asset classes. Indexes are unmanaged portfolios and investors cannot invest directly in an index. Past performance does not guarantee future results.

The Risk You Take by Not Investing in Every Asset Class and Market Sector

Average annual return of a hypothetical portfolio equally weighted in 16 major asset classes and market sectors.



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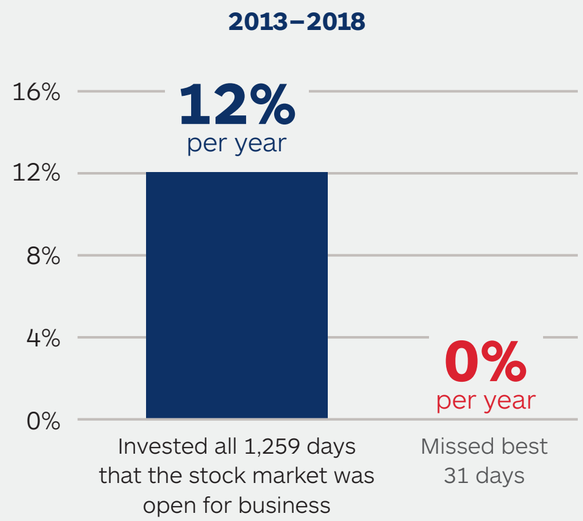
Source: Morningstar. An index is a portfolio of specific securities (common examples are the S&P, DJIA, NASDAQ), the performance of which is often used as a benchmark in judging the relative performance of certain asset classes. Indexes are unmanaged portfolios and investors cannot invest directly in an index. Past performance does not guarantee future results.

Why You Need to Maintain a Long-Term Focus

Average Annual Return of the S&P 500



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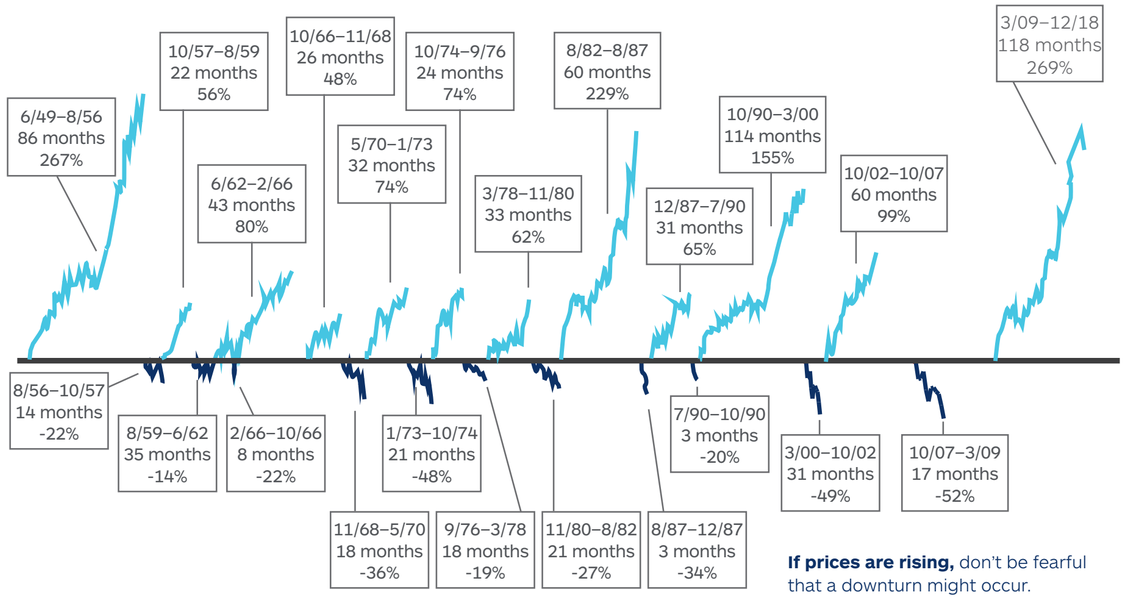
The Stock Market Rises a Lot and Falls a Little

S&P 500 1949–2018



If prices are rising, don't be fearful that a downturn might occur.

If prices are falling, get excited about what's coming next!

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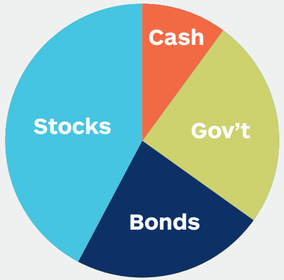
Source: S&P Capital IQ & Bloomberg.
An index is a portfolio of specific securities (common examples are the S&P, DJIA, NASDAQ), the performance of which is often used as a benchmark in judging the relative performance of certain asset classes. Indexes are unmanaged portfolios and investors cannot invest directly in an index. Past performance does not guarantee future results.

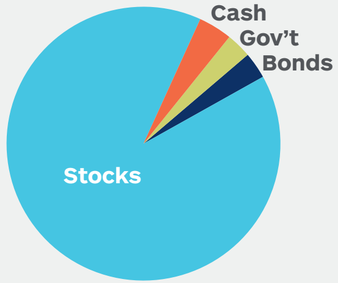
The Importance of Rebalancing

Different investment results over time will cause a portfolio that starts like this . . .

to drift from its original allocation into something like this . . .



and if the portfolio is not rebalanced, it could become riskier than when you started.



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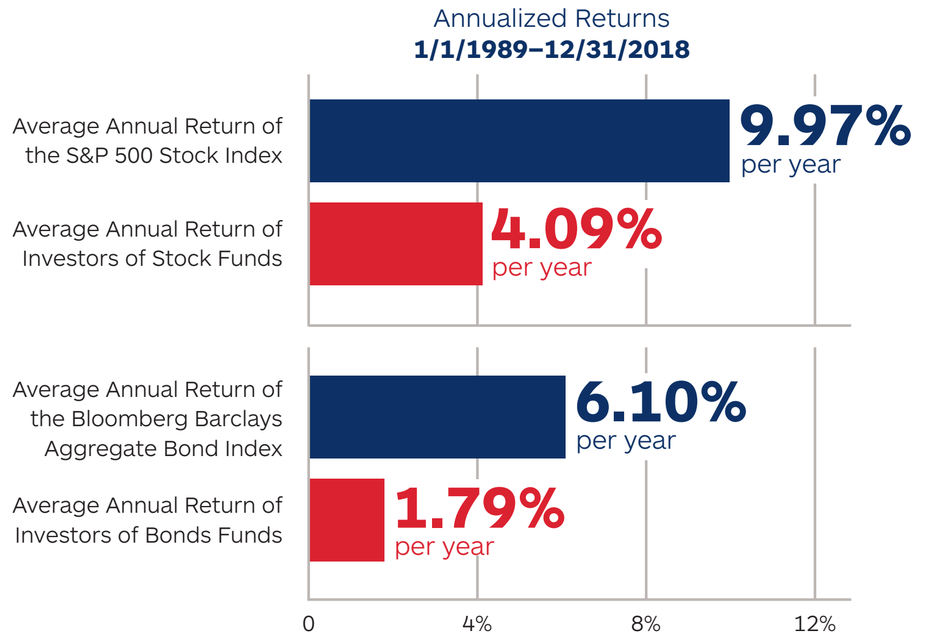
This is a hypothetical illustration meant to demonstrate the principle of portfolio drift. It is not representative of past or future returns of any specific investment vehicle.

Poor Timing Causes Investors to Miss Most of the Markets' Returns

30 Years of Consistent Underperformance



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Source: Dalbar. An index is a portfolio of specific securities (common examples are the S&P 500, DJIA, NASDAQ), the performance of which is often used as a benchmark in judging the relative performance of certain asset classes. Indexes are unmanaged portfolios and investors cannot invest directly in an index. Past performance does not guarantee future results.

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