Investing for the Long Term

The Importance of a Long-Term Perspective
Asset allocation may be inefficient if based on a short-term view of historical returns

A sees
allocates their portfolios
much more conservatively

B sees
allocates their portfolios
much more aggressively

One-Year return chart
30-Year return chart

Time in the Market
Probability of losing money in the stock market, 1926 - 2018

Over a one-year period 25.2%

Over a five-year period 12.2%

Over an eight-year period 5.5%

Probability of loss is calculated as the number of negative rolling periods divided by the total number of rolling periods using the specified frequency of data.

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