

Market History

a practical guide to becoming an informed investor



Consider the Drivers of Returns

	Value	Core	Growth
Large	12.0% <i>Fama/French US Value Index</i>	10.5% <i>S&P 500</i>	10.1% <i>Fama/French US Growth Research Index</i>
Small	14.6% <i>Fama/French US Small Value Index</i>	11.7% <i>Fama/French US Small Cap Index</i>	9.2% <i>Fama/French US Small Growth Research Index</i>

Annualized Returns 6/1/1927-12/31/2021

Your new Financial Analyst is Gandalf the Grey, CFA, PHD, MBA!



Powers!

- Can see into the future
- His predictions are **NEVER** wrong!

Unfortunate Curse

- Can only see the bad events that will occur
- Is only granted this ability to see into the future on December 31 of each decade.

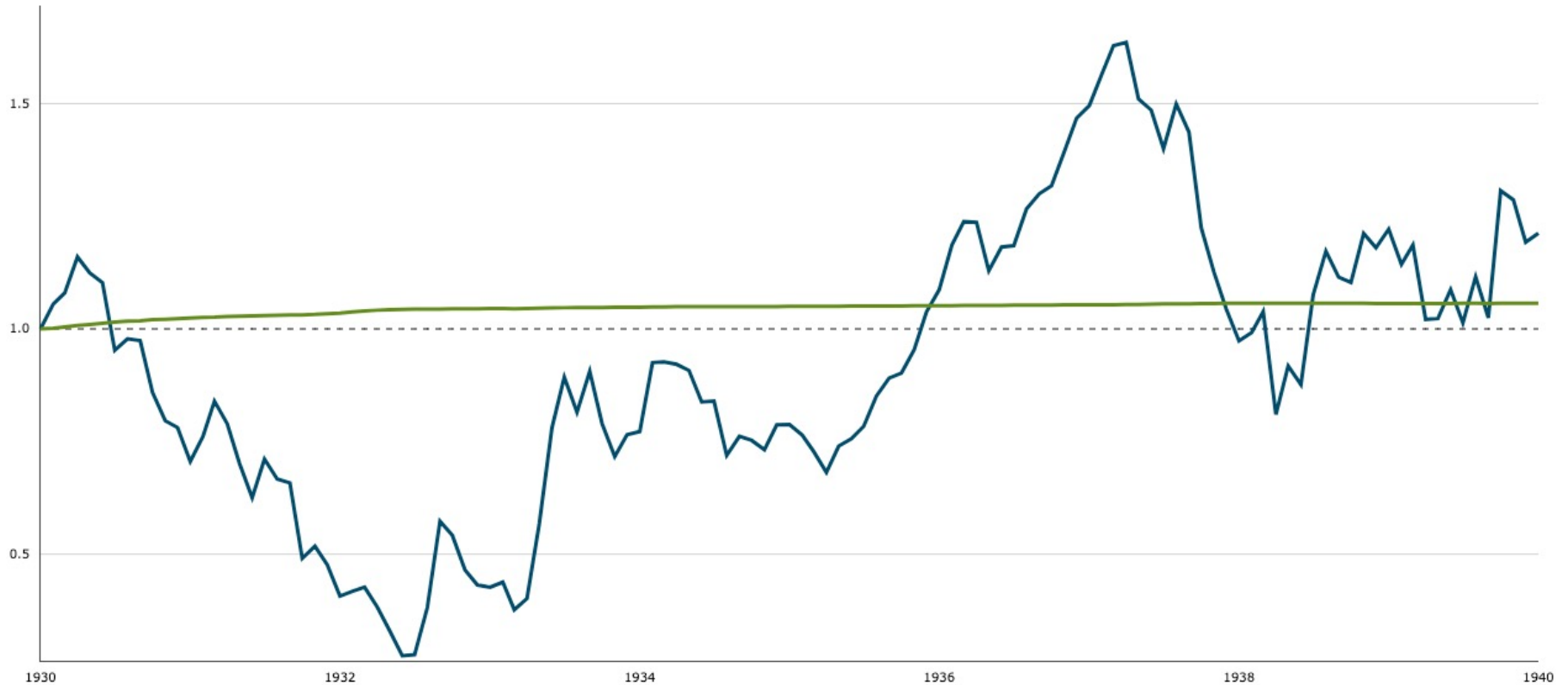
In the next decade I predict:



- There will be a depression
- The market will drop by 83%
- You will lose 63% at some point
- Tariffs will be enacted!

Do you want to go to cash or invest?

Performance of a Balanced Strategy: 80% Stocks, 20% Bonds



Performance of a Balanced Strategy: 80% Stocks, 20% Bonds

Decade	Annualized Return	\$10,000 becomes
1930's	2%	\$12,100

In the next decade I predict:



- 85 million people will die in a war
- You will lose 22% in a MONTH
- Goods will have to be rationed
- Government debt will hit 120% of GDP
- Two nuclear bombs will be dropped but not where you live

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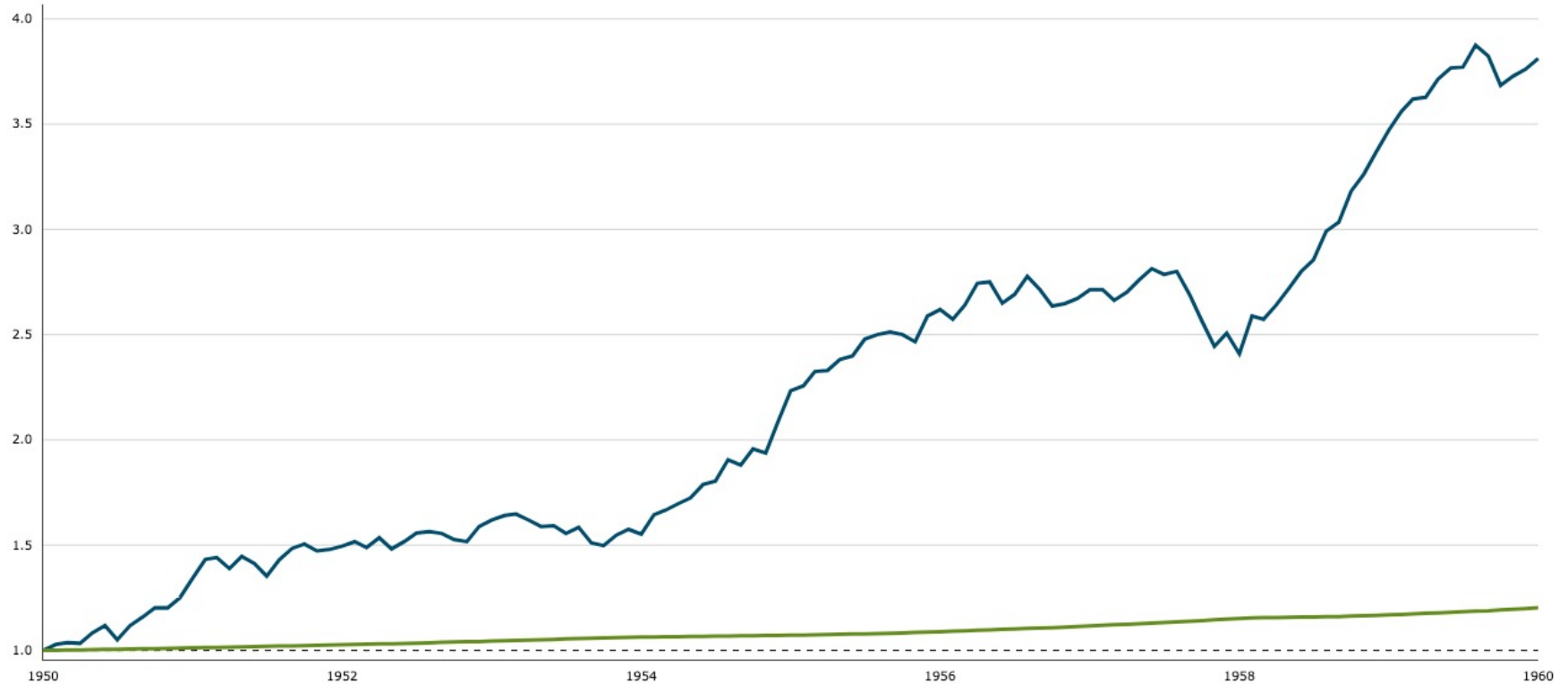
In the next decade I predict:



- Taxes will go up to 91%!
- 25% will be in poverty!
- A pandemic will trigger a global recession and kill 1-4 Million globally
- North Korea will invade South Korea
- Spiking interest rates will trigger a recession

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Decade	Annualized Return	\$10,000 becomes
1930's	2%	\$12,000
1940's	12%	\$30,000
1950's	14%	\$38,000

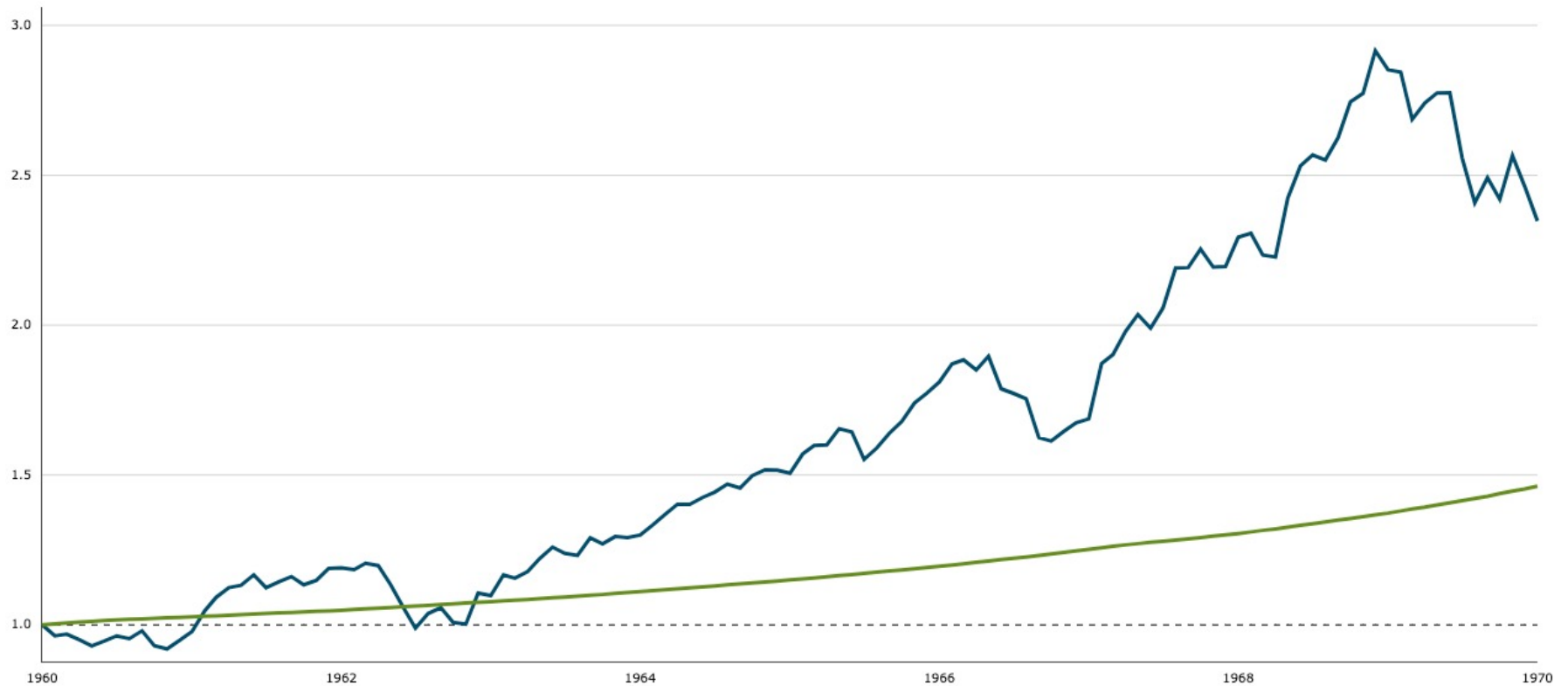
In the next decade I predict:



- Rising interest rates
- Over 3 million people die in a war
- The worst year in the stock market since the great depression
- You will lose money for 5 months in a ROW
- The US president will be assassinated

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1940's	12%	\$30,000
1950's	14%	\$38,000
1960's	9%	\$23,000

In the next decade I predict:



- You will lose 30% at one point
- Hyper inflation hits the US
- There is an oil shortage and prices spike

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1960's	9%	\$23,000
1970's	12%	\$30,000

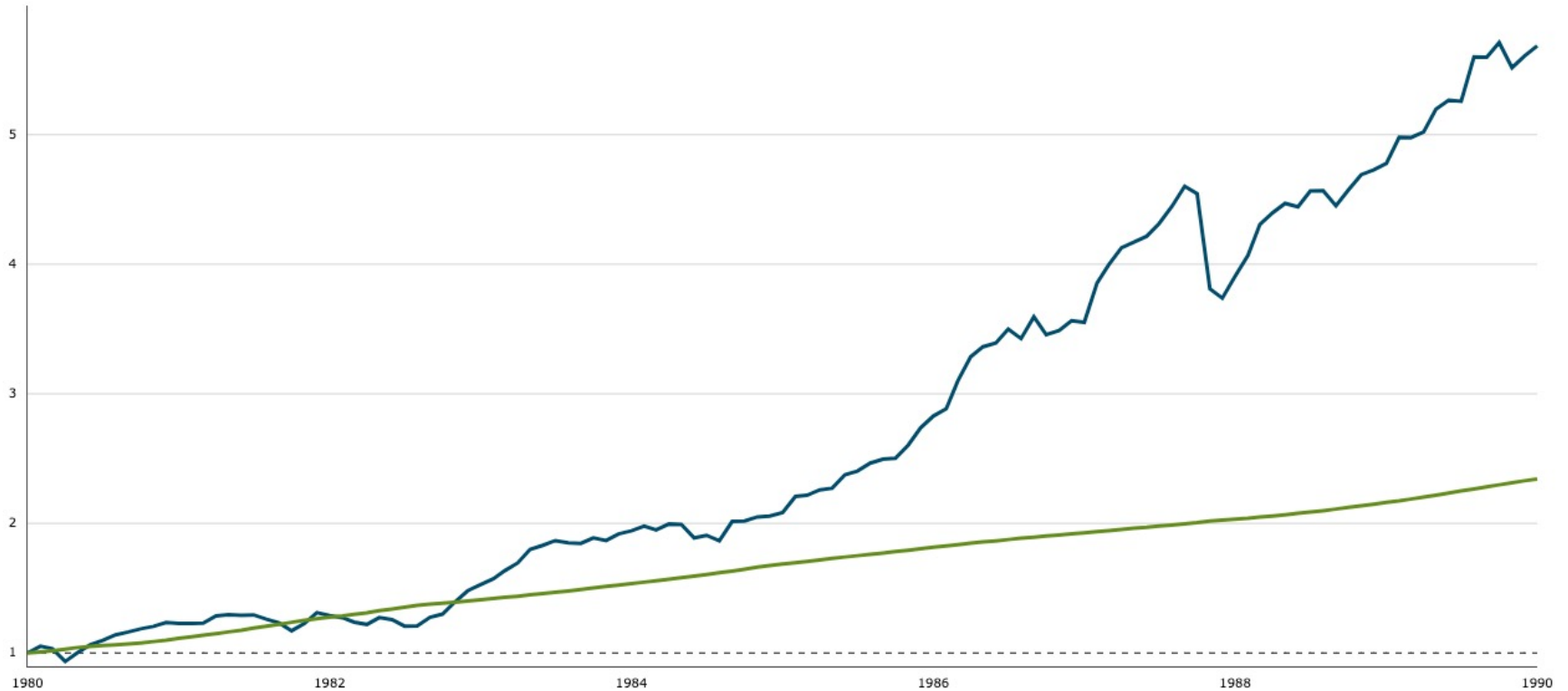
In the next decade I predict:



- The market will fall 22% in a DAY
- An asset bubble in a major country pops and won't recover for 30 years
- 1/3 of US banks fail
- Mortgage rates will go to 18%

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1950's	14%	\$38,000
1960's	9%	\$23,000
1970's	9%	\$24,000
1980's	19%	\$57,000

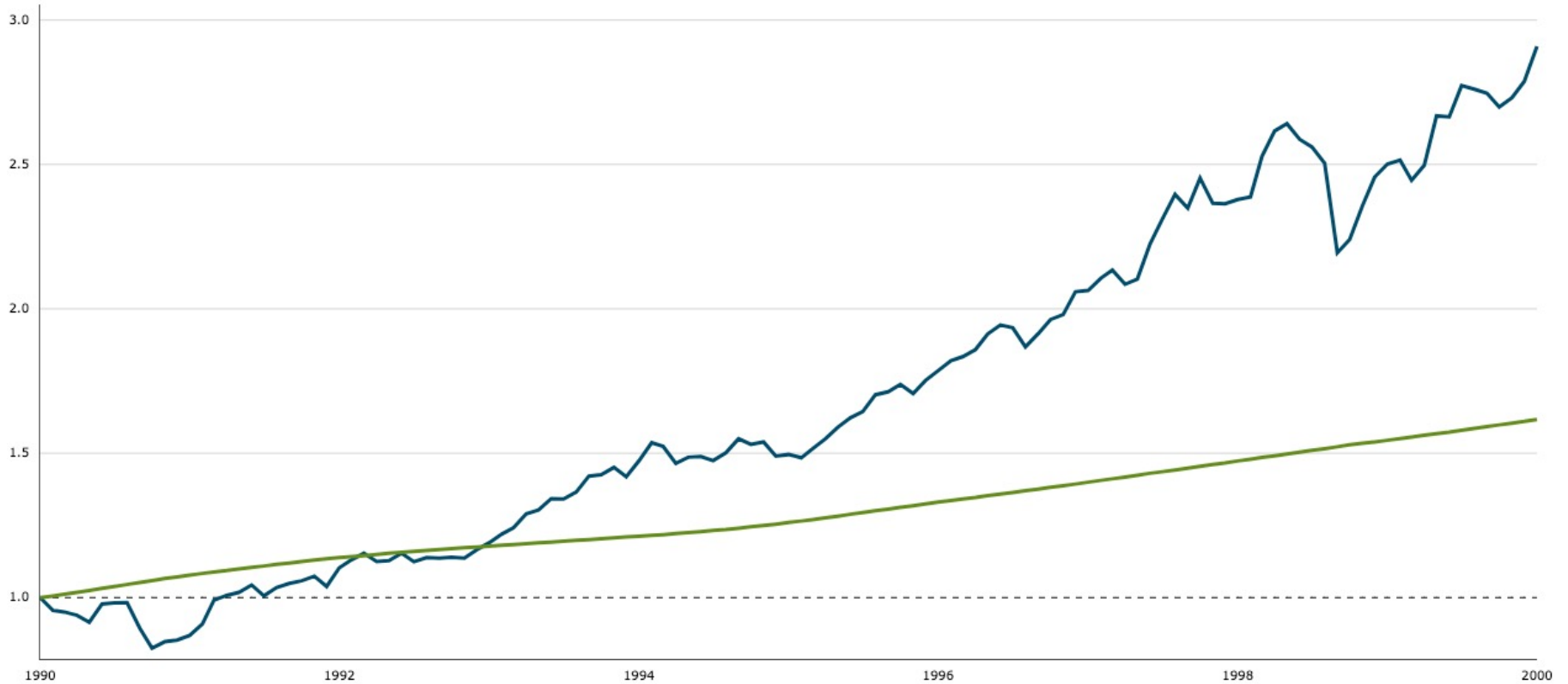
In the next decade I predict!



- You will lose 17% in just two months
- Sluggish economic growth for five years
- The biggest economic changes since the industrial age
- The stock market will go into “irrational exuberance”
- Low interest rates will cause a bubble

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1970's	9%	\$24,000
1980's	19%	\$57,000
1990's	11%	\$29,000

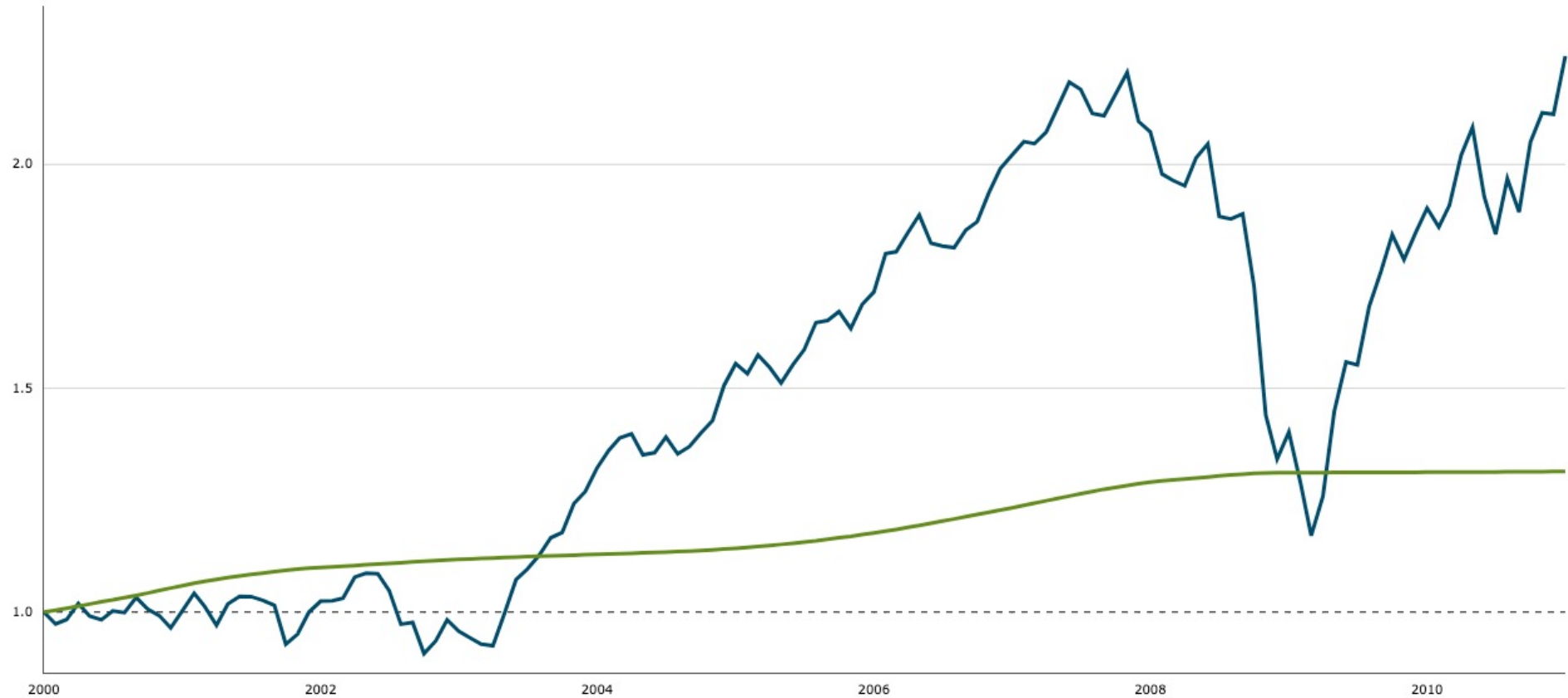
In the next decade I predict!



- There will be the biggest market decline since the Great Depression
- A 20-year war begins!
- Unprecedented Fed Policy
- Banks will collapse
- You will lose 32% in just THREE months
- You will lose 40%
- A hurricane will wipe out a major US city

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1970's	9%	\$24,000
1980's	19%	\$57,000
1990's	11%	\$29,000
2000's	8%	\$22,000

In the next decade I predict!



- Productivity will slow
- Demographic headwinds
- The lowest growth in GDP per capita of any decade
- Nearly 0% interest rates

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2000's	8%	\$22,000
2010's	8%	\$22,000

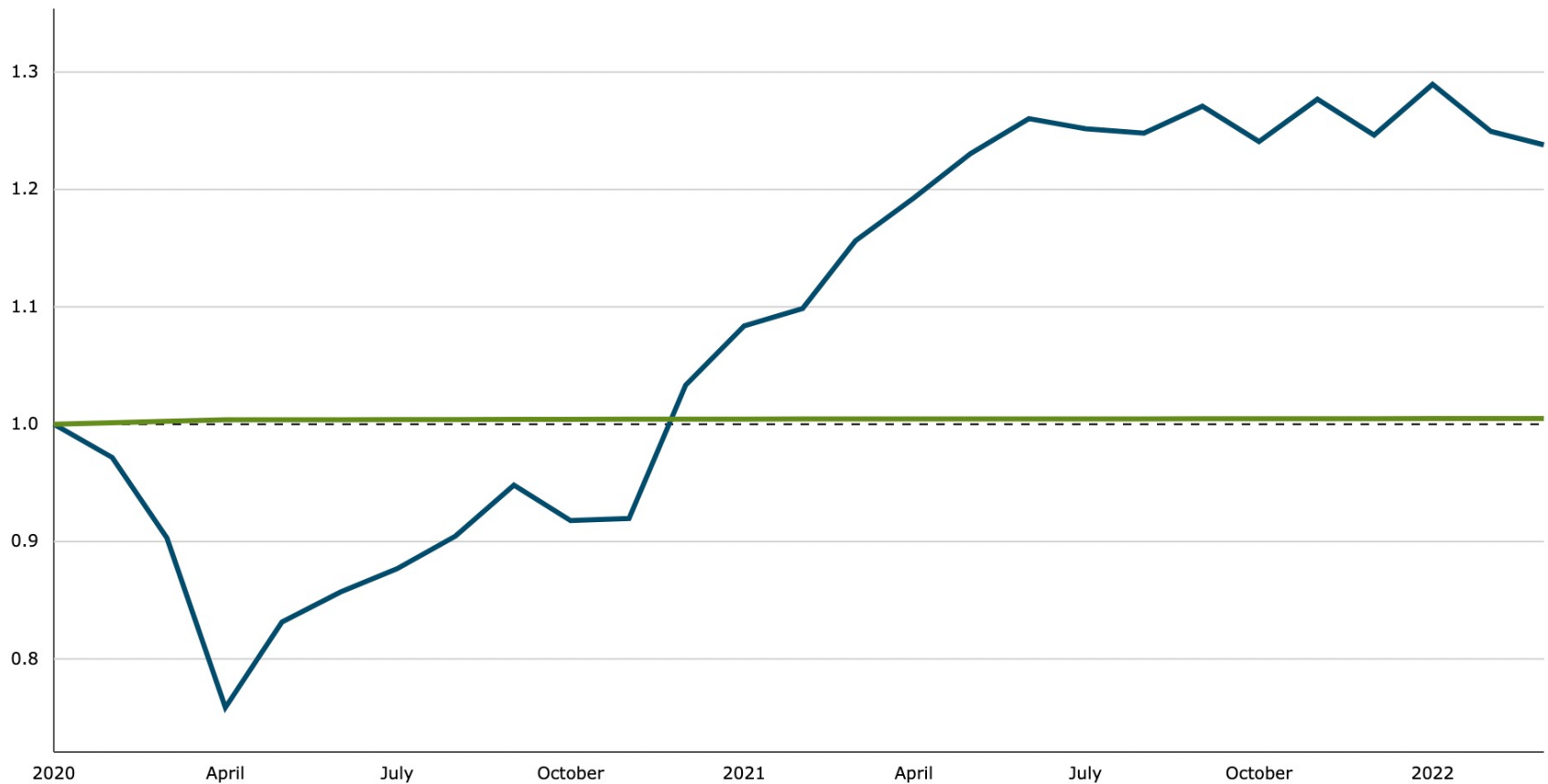
In the next decade I predict! (the 2020's)



- A global pandemic
- Race riots
- A riot inside the US Capital
- Rising Russian aggression!
- Rising interest rates to start the decade
- **An UNKNOWN FUTURE!**

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Index Data

QH 80/20 Historical From 6/1927 To 1/2022 Constructed under USD

Period 1: From 6/1927 (Earliest) To 12/1969

Rebalance: Per 3 Months

Dimensional US Adjusted Market 1 Index 48.00% Dimensional US Small Cap Value Index 32.00% Five-Year US Treasury Notes 20.0%

***Period adjustment: Adjustments: Basis Points: 25, Quarterly**

Period 2: From 1/1970 To 12/1974

Rebalance: Per 3 Months

Dimensional US Adjusted Market 1 Index 29.00% Dimensional US Small Cap Value Index 19.00% Five-Year US Treasury Notes 20.0% Dimensional International Small Cap Index 32.00%

***Period adjustment: Adjustments: Basis Points: 25, Quarterly**

Period 3: From 1/1975 To 6/1981

Rebalance: Per 3 Months Dimensional US Adjusted Market 1 Index 29.00% Dimensional US Small Cap Value Index 19.00% Five-Year US Treasury Notes 20.0% Dimensional International Small Cap Index 13.00%

Dimensional International Core Equity Market Index 19.00%

***Period adjustment: Adjustments: Basis Points: 25, Quarterly**

Index Data

QH 80/20 Historical From 6/1927 To 1/2022 Constructed under USD

Period 4: From 7/1981 To 11/1990

Rebalance: Per 3 Months

Dimensional US Adjusted Market 1 Index 29.00% Dimensional US Small Cap Value Index 19.00% Five-Year US Treasury Notes 20.0% Dimensional International Core Equity Market Index 17.00% Dimensional International Small Cap Value Index 12.00% Dow Jones U.S. Select REIT Index 3.00%

***Period adjustment: Adjustments: Basis Points: 25, Quarterly**

Period 5: From 12/1990 To 1/2022 (Latest)

Rebalance: Per 3 Months

Dimensional US Adjusted Market 1 Index 29.00% Dimensional US Small Cap Value Index 19.00% Dimensional International Core Equity Market Index 12.00% Dimensional International Small Cap Value Index 9.00% Dow Jones U.S. Select REIT Index 3.00% Dimensional Emerging Markets Core Equity Market Index 8.00% DFA Five-Year Global Fixed Income Portfolio Class I 20.0%

***Period adjustment: Adjustments: Basis Points: 25, Quarterly**

Disclosures

This information is not intended to be used as the primary basis of investment decisions. Because of individual client requirements, it should not be construed as advice designed to meet the particular investment needs of any investor.

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