

Asset for the Long Run

One of the most common educational props in the financial planning world is something known as the Callan Periodic Table of Investment Returns. The table is constructed in various ways—either with annual returns, or monthly returns—but the result for those shorter time periods is always the same and vividly illustrated. As you can see from the yearly and monthly return chart, the rank order of different asset classes (color coded; top is highest performers, lowest is worst returns), is always random.

See for yourself whether you can discern any pattern. That illustrates, better than words, that we really cannot predict whether international stocks will outperform domestic large cap or small cap stocks in any given year, or whether any of them will outperform various bond investments in the next 12 months. This explains why professionals recommend diversified portfolios. They simply don't know, from one year to the next, which is going to perform better than what.

But the interesting thing is that if you look out over longer time periods, the returns are not nearly so random. In fact, when a professor of business analytics at the University of San Francisco, Stephen Huxley, constructed the same chart over rolling 30-year periods, he found that small cap stocks and value stocks nearly always finished with the highest returns. You can see from the long-term Periodic Table that real estate investment trusts consistently fell in the middle of the pack, and the bond investments alternated places at the bottom of the long-term return chart.

Periodic Table of Annual Returns, 18 Asset Classes, 1998-2017

| 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Lrge Grw | Emrg Mkt | Cmnty | Sm Val | Cmnty | Sm Val | REIT | Emrg Mkt | REIT | Emrg Mkt | LT Gov | Emrg Mkt | Mid Grw | LT Gov | Lrge Val | Mid Val | REIT | Lrge Grw | Sm Val | Emrg Mkt |
| 41.4% | 66.5% | 31.9% | 23.7% | 33.6% | 63.9% | 30.4% | 34.0% | 34.0% | 39.4% | 25.9% | 78.5% | 31.9% | 28.2% | 30.8% | 49.0% | 27.2% | 5.5% | 36.6% | 37.3% |
| Lrge Val | Mid Grw | Mid Core | Sm Core | LT Gov | Emrg Mkt | Emrg Mkt | Cmnty | Emrg Mkt | Cmnty | 5-Yr Gov | Mid Grw | Sm Grw | Corp | Sm Val | Sm Grw | LT Gov | REIT | Lrge Val | Lrge Grw |
| 33.2% | 47.1% | 30.0% | 15.7% | 17.8% | 55.8% | 25.6% | 24.9% | 32.1% | 22.1% | 13.1% | 42.9% | 29.6% | 17.9% | 19.8% | 45.2% | 23.9% | 2.1% | 26.9% | 29.8% |
| S&P 500 | Sm Grw | Mid Val | REIT | Corp | Sm Grw | Mid Core | Mid Core | Intl Mkt | Lrge Grw | Corp | Sm Grw | Sm Core | 5-Yr Gov | REIT | Sm Val | Corp | 5-Yr Gov | Sm Core | Mid Grw |
| 28.6% | 46.7% | 26.1% | 15.5% | 16.3% | 54.2% | 22.8% | 16.0% | 25.7% | 12.9% | 8.8% | 37.0% | 29.3% | 9.5% | 19.7% | 17.3% | 1.7% | 1.7% | 23.4% | 26.9% |
| Intl Mkt | Cmnty | REIT | Corp | 5-Yr Gov | Sm Core | Sm Core | Intl Mkt | Lrge Val | Intl Mkt | T-Bills | Mid Core | REIT | REIT | Mid Val | Sm Core | S&P 500 | S&P 500 | Mid Val | Sm Grw |
| 18.8% | 31.8% | 25.9% | 10.6% | 12.9% | 48.9% | 20.7% | 14.5% | 25.4% | 12.4% | 1.6% | 37.0% | 27.6% | 7.3% | 19.2% | 41.1% | 13.7% | 1.4% | 23.2% | 25.5% |
| LT Gov | Intl Mkt | Sm Val | Lrge Val | REIT | Mid Val | Intl Mkt | Mid Val | Sm Val | 5-Yr Gov | Sm Core | Mid Val | Sm Val | Lrge Core | Sm Core | Mid Grw | Lrge Grw | Mid Grw | Mid Core | Intl Mkt |
| 13.1% | 27.9% | 24.3% | 7.9% | 5.2% | 47.8% | 20.4% | 9.8% | 24.5% | 10.1% | -30.8% | 34.9% | 26.6% | 7.2% | 18.5% | 37.9% | 13.1% | 1.3% | 22.3% | 24.2% |
| Corp | Lrge Grw | Lrge Val | 5-Yr Gov | T-Bills | Mid Core | Sm Val | Sm Val | Lrge Core | LT Gov | Lrge Grw | Intl Mkt | Mid Core | Lrge Grw | Emrg Mkt | Lrge Val | Lrge Val | T-Bills | Lrge Core | S&P 500 |
| 10.8% | 23.1% | 23.0% | 7.6% | 1.6% | 41.8% | 20.2% | 8.9% | 21.0% | 9.9% | -32.6% | 33.7% | 25.7% | 4.4% | 18.2% | 37.4% | 12.1% | 0.0% | 13.9% | 21.8% |
| 5-Yr Gov | Sm Core | LT Gov | Mid Val | Emrg Mkt | Intl Mkt | Mid Val | Sm Core | Sm Core | Mid Grw | Sm Val | Sm Core | Mid Val | S&P 500 | Intl Mkt | Mid Core | Mid Core | LT Gov | S&P 500 | Lrge Val |
| 10.2% | 22.8% | 21.5% | 5.5% | -6.2% | 39.4% | 19.9% | 8.6% | 21.0% | 9.3% | -32.9% | 33.3% | 20.7% | 2.1% | 16.4% | 36.3% | 11.3% | -0.1% | 12.0% | 19.6% |
| Lrge Core | S&P 500 | Sm Core | Mid Core | Sm Val | Mid Grw | Cmnty | REIT | Mid Val | Sm Grw | Cmnty | Lrge Grw | Emrg Mkt | Mid Grw | Mid Grw | Lrge Grw | Lrge Core | Lrge Core | Emrg Mkt | Mid Core |
| 10.1% | 21.0% | 17.7% | 5.2% | -9.1% | 39.2% | 18.2% | 8.3% | 17.6% | 5.5% | -35.0% | 31.2% | 18.9% | 0.9% | 16.3% | 33.8% | 11.1% | -0.4% | 11.2% | 18.7% |
| Mid Grw | Mid Val | Corp | T-Bills | Sm Core | REIT | Sm Grw | Lrge Val | S&P 500 | S&P 500 | Mid Val | Sm Val | Lrge Core | T-Bills | S&P 500 | S&P 500 | Mid Grw | Corp | Mid Grw | Mid Val |
| 9.1% | 10.3% | 12.9% | 3.8% | -12.1% | 38.5% | 15.5% | 8.0% | 15.8% | 5.5% | -35.6% | 31.1% | 18.8% | 0.0% | 16.0% | 32.4% | 10.7% | -1.0% | 10.1% | 15.8% |
| T-Bills | Sm Val | 5-Yr Gov | LT Gov | Mid Core | Lrge Val | Lrge Val | Mid Grw | Mid Grw | T-Bills | S&P 500 | REIT | Cmnty | Mid Core | Mid Core | Lrge Core | Mid Val | Mid Core | Cmnty | Sm Core |
| 4.9% | 8.8% | 12.6% | 3.7% | -12.8% | 30.2% | 15.3% | 7.9% | 12.2% | 4.7% | -37.0% | 27.8% | 17.6% | -0.9% | 15.2% | 31.3% | 5.7% | -1.1% | 9.7% | 13.2% |
| Mid Val | T-Bills | Lrge Core | Sm Grw | Lrge Core | S&P 500 | Mid Grw | LT Gov | Mid Core | Corp | REIT | S&P 500 | S&P 500 | Mid Val | Sm Grw | Intl Mkt | Sm Grw | Sm Grw | Lrge Grw | Lrge Core |
| 4.8% | 4.7% | 11.4% | 0.8% | -14.0% | 28.7% | 13.1% | 7.8% | 12.0% | 2.6% | -37.8% | 26.5% | 15.1% | -4.7% | 15.0% | 21.0% | 5.3% | -3.0% | 9.6% | 12.7% |
| Mid Core | Lrge Core | T-Bills | Lrge Core | Intl Mkt | Lrge Core | Lrge Core | Corp | Lrge Grw | Lrge Val | Mid Grw | Cmnty | Lrge Grw | Sm Core | Lrge Grw | REIT | Sm Val | Intl Mkt | REIT | Corp |
| 0.3% | 4.0% | 5.9% | -2.5% | -15.8% | 28.1% | 13.0% | 5.9% | 11.4% | 2.0% | -37.9% | 23.7% | 13.2% | -4.9% | 14.1% | 2.3% | 3.9% | -3.3% | 9.4% | 12.3% |
| Sm Grw | Mid Core | Mid Grw | Emrg Mkt | Mid Grw | Lrge Grw | S&P 500 | Lrge Grw | Sm Grw | Mid Core | Lrge Val | Lrge Core | Corp | Sm Grw | Lrge Core | T-Bills | Sm Core | Sm Core | Sm Grw | Sm Val |
| -2.6% | 1.5% | -1.5% | -2.6% | -18.7% | 28.0% | 10.9% | 5.4% | 8.9% | 1.0% | -38.2% | 20.6% | 12.4% | -5.6% | 12.5% | 0.0% | 3.8% | -3.3% | 7.9% | 9.5% |
| Sm Val | 5-Yr Gov | Lrge Grw | Mid Core | Mid Grw | Cmnty | Lrge Grw | S&P 500 | T-Bills | Lrge Core | Sm Core | Lrge Val | LT Gov | Cmnty | Corp | 5-Yr Gov | 5-Yr Gov | Lrge Val | Corp | REIT |
| -2.9% | -1.8% | -7.5% | -4.5% | -21.4% | 24.2% | 9.1% | 4.9% | 4.8% | -0.6% | -40.2% | 10.6% | 10.1% | -3.2% | 10.7% | -1.1% | -3.1% | -7.4% | 6.7% | 9.3% |
| Sm Core | Lrge Val | S&P 500 | Lrge Grw | Lrge Grw | Corp | Corp | Lrge Core | Corp | Sm Core | Mid Core | Corp | Intl Mkt | Sm Val | LT Gov | Emrg Mkt | T-Bills | Sm Val | Intl Mkt | LT Gov |
| -4.4% | -6.0% | -9.1% | -11.1% | -21.9% | 5.3% | 8.7% | 4.4% | 3.2% | -2.5% | -41.0% | 3.0% | 8.9% | -9.5% | 3.3% | -2.6% | 0.0% | -9.7% | 2.7% | 6.2% |
| REIT | REIT | Intl Mkt | S&P 500 | S&P 500 | 5-Yr Gov | LT Gov | T-Bills | 5-Yr Gov | Mid Val | Lrge Core | T-Bills | 5-Yr Gov | Intl Mkt | 5-Yr Gov | Cmnty | Emrg Mkt | Mid Val | 5-Yr Gov | Cmnty |
| -18.8% | -6.5% | -13.4% | -21.4% | -22.1% | 2.4% | 8.5% | 3.0% | 3.1% | -5.4% | -42.9% | 0.1% | 7.1% | -12.2% | 2.1% | -5.0% | -2.2% | -9.8% | 1.9% | 7.7% |
| Emrg Mkt | Corp | Sm Grw | Intl Mkt | Sm Grw | LT Gov | 5-Yr Gov | 5-Yr Gov | LT Gov | Sm Val | Intl Mkt | 5-Yr Gov | Lrge Val | Lrge Val | T-Bills | Corp | Intl Mkt | Emrg Mkt | LT Gov | 5-Yr Gov |
| -25.3% | -7.4% | -24.8% | -21.4% | -31.0% | 1.4% | 1.4% | 1.2% | 1.2% | -11.1% | -43.8% | -2.4% | 1.6% | -15.1% | 0.1% | -7.1% | -4.3% | -14.9% | 1.8% | 1.6% |
| Cmnty | LT Gov | Emrg Mkt | Cmnty | Lrge Val | T-Bills | T-Bills | Sm Grw | Cmnty | REIT | Emrg Mkt | LT Gov | T-Bills | Emrg Mkt | Cmnty | LT Gov | Cmnty | -23.4% | 0.2% | 0.8% |
| -27.2% | -9.0% | -30.8% | -21.8% | -35.5% | 1.0% | 1.2% | 0.0% | -2.9% | -17.8% | -53.3% | -14.9% | 0.1% | -18.4% | -3.3% | -11.4% | -17.9% | -23.4% | 0.2% | 0.8% |

Rolling Overlapping 30-year Spans

| 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Sm Val | Sm Val | Sm Val | Sm Val | Sm Val | Sm Val | Sm Val | Sm Val | Sm Val | Sm Val | Sm Val | Sm Val | Sm Val | Sm Val | Sm Val | Sm Val | Sm Val | Sm Val | Sm Val | Sm Val |
| 16.2% | 17.7% | 18.3% | 18.6% | 18.0% | 21.2% | 22.8% | 21.3% | 20.2% | 18.9% | 16.6% | 16.3% | 16.5% | 15.5% | 14.9% | 14.7% | 14.5% | 13.1% | 13.7% | 14.4% |
| Mid Val | Mid Val | Mid Val | Mid Val | Mid Val | Sm Neut | Sm Neut | Sm Neut | Sm Neut | Sm Neut | Sm Neut | Sm Neut | Sm Neut | Sm Neut | Sm Neut | Sm Neut | Sm Neut | Sm Neut | Sm Neut | Sm Neut |
| 15.2% | 16.6% | 17.9% | 16.8% | 15.5% | 18.3% | 20.3% | 18.8% | 18.0% | 17.3% | 15.1% | 15.0% | 14.9% | 14.3% | 13.8% | 13.8% | 13.9% | 12.6% | 13.0% | 13.7% |
| Lrge Val | Emrg Mkt | Sm Neut | Sm Neut | Sm Neut | Mid Val | Mid Val | Mid Val | Mid Val | Mid Val | Mid Val | Mid Val | Mid Val | Mid Val | Emrg Mkt | Mid Val | Mid Val | Mid Val | Mid Val | Mid Val |
| 15.1% | 15.7% | 16.2% | 16.0% | 15.2% | 17.5% | 19.2% | 17.6% | 16.6% | 16.1% | 14.0% | 14.2% | 14.5% | 13.9% | 13.5% | 13.8% | 13.7% | 12.2% | 12.4% | 13.0% |
| Emrg Mkt | Lrge Val | Lrge Val | Lrge Val | Lrge Val | Mid Neut | Mid Neut | Mid Neut | Lrge Val | Emrg Mkt | Lrge Val | Lrge Val | Mid Neut | Mid Neut | Mid Val | Emrg Mkt | Mid Neut | Mid Neut | Mid Neut | Mid Neut |
| 14.4% | 15.6% | 16.0% | 15.8% | 13.6% | 15.4% | 17.2% | 16.1% | 15.1% | 15.4% | 12.6% | 12.9% | 12.9% | 12.5% | 13.4% | 12.7% | 12.8% | 11.7% | 11.9% | 12.5% |
| Sm Neut | Sm Neut | Mid Neut | Mid Neut | Mid Neut | Lrge Val | Lrge Val | Lrge Val | Mid Neut | Lrge Val | Mid Neut | Emrg Mkt | Lrge Val | Emrg Mkt | Mid Neut | Mid Neut | Mid Neut | Lrge Grw | Lrge Grw | Mid Grw |
| 13.5% | 15.2% | 14.4% | 14.0% | 13.2% | 14.6% | 16.8% | 15.6% | 15.1% | 15.1% | 12.6% | 12.9% | 12.5% | 11.9% | 12.2% | 12.4% | 12.6% | 11.7% | 11.5% | 12.3% |
| Mid Neut | S&P 500 | Lrge Neut | Lrge Neut | Lrge Neut | Lrge Neut | Mid Grw | Emrg Mkt | Emrg Mkt | Mid Neut | Emrg Mkt | Mid Neut | Emrg Mkt | Lrge Grw | Lrge Grw | Lrge Grw | Lrge Grw | Lrge Grw | Mid Grw | Lrge Grw |
| 12.8% | 13.7% | 13.9% | 13.7% | 12.6% | 13.7% | 15.2% | 14.5% | 15.0% | 14.9% | 11.9% | 12.4% | 12.9% | 11.8% | 11.6% | 12.2% | 12.6% | 11.6% | 11.5% | Lrge Grw |
| Lrge Neut | Lrge Neut | Emrg Mkt | Emrg Mkt | Emrg Mkt | Mid Grw | Lrge Neut | Mid Grw | Mid Grw | Mid Grw | Mid Grw | Mid Grw | Mid Grw | Mid Grw | Mid Grw | Mid Grw | Mid Grw | Emrg Mkt | Emrg Mkt | Lrge Val |
| 12.8% | 13.7% | 13.8% | 12.5% | 11.3% | 13.1% | 15.2% | 14.2% | 13.7% | 14.0% | 11.9% | 11.9% | 11.5% | 11.6% | 11.5% | 12.0% | 12.2% | 10.7% | 10.7% | 11.2% |
| S&P 500 | Mid Neut | S&P 500 | S&P 500 | S&P 500 | Emrg Mkt | REIT | Lrge Neut | Lrge Neut | Lrge Neut | Lrge Neut | Lrge Neut | Lrge Neut | Lrge Val | Lrge Val | Lrge Val | Lrge Val | S&P 500 | Lrge Val | Emrg Mkt |
| 12.7% | 13.6% | 13.2% | 12.2% | 10.7% | 12.5% | 14.7% | 13.9% | 13.5% | 13.6% | 11.4% | 11.9% | 11.3% | 11.5% | 11.5% | 11.7% | 11.5% | 10.4% | 10.4% | 11.1% |
| Lrge Grw | Lrge Grw | Lrge Grw | Lrge Grw | Lrge Grw | S&P 500 | Emrg Mkt | REIT | REIT | Lrge Grw | Lrge Neut | S&P 500 | S&P 500 | Lrge Neut | Lrge Neut | Lrge Neut | Lrge Neut | S&P 500 | Lrge Val | S&P 500 |
| 12.6% | 13.3% | 13.1% | 11.9% | 10.3% | 12.2% | 13.8% | 13.8% | 13.4% | 13.1% | 11.3% | 11.2% | 10.7% | 11.1% | 11.0% | 11.2% | 11.3% | 10.2% | 10.2% | 10.7% |
| Intern | Intern | Mid Grw | Mid Grw | Mid Grw | Lrge Grw | S&P 500 | S&P 500 | S&P 500 | S&P 500 | S&P 500 | Lrge Neut | Lrge Neut | LT Gov | S&P 500 | S&P 500 | Lrge Neut | Lrge Neut | Lrge Neut | Lrge Neut |
| 11.5% | 12.3% | 12.5% | 11.4% | 10.2% | 12.1% | 13.7% | 12.1% | 12.5% | 13.0% | 11.0% | 11.1% | 10.5% | 11.0% | 10.8% | 11.1% | 11.3% | 10.1% | 9.9% | 10.2% |
| Mid Grw | Mid Grw | Intern | Intern | LT Gov | REIT | Lrge Grw | Lrge Grw | Lrge Grw | REIT | REIT | REIT | REIT | S&P 500 | Corp | LT Gov | LT Gov | LT Gov | REIT | REIT |
| 10.3% | 12.1% | 12.4% | 10.4% | 9.3% | 11.6% | 13.4% | 12.5% | 12.2% | 12.0% | 10.3% | 10.2% | 10.2% | 11.0% | 9.9% | 9.4% | 9.7% | 9.3% | 9.0% | 9.7% |
| Corp | Corp | LT Gov | REIT | Corp | Sm Grw | Sm Grw | Intern | Intern | Intern | LT Gov | LT Gov | Corp | Corp | LT Gov | Corp | REIT | LT Gov | Corp | Corp |
| 9.1% | 9.2% | 9.2% | 9.4% | 9.3% | 10.4% | 12.4% | 11.2% | 12.0% | 11.9% | 10.2% | 9.7% | 10.2% | 10.8% | 9.9% | 9.4% | 9.4% | 8.7% | 8.0% | 8.4% |
| LT Gov | Sm Grw | REIT | Corp | REIT | Intern | Intern | Sm Grw | Sm Grw | LT Gov | Corp | Corp | LT Gov | REIT | REIT | Intern | Corp | Corp | LT Gov | LT Gov |
| 9.1% | 9.0% | 9.2% | 9.0% | 9.2% | 10.3% | 11.8% | 10.6% | 9.8% | 9.3% | 9.4% | 9.6% | 10.2% | 10.2% | 9.8% | 9.2% | 9.4% | 8.4% | 8.0% | 8.3% |
| 5-Yr Gov | LT Gov | Corp | LT Gov | 5-Yr Gov | Corp | Corp | Corp | Corp | Sm Grw | Intern | Intern | Intern | Intern | Intern | Intern | Intern | Intern | Sm Grw | Sm Grw |
| 8.7% | 8.9% | 9.0% | 8.9% | 8.8% | 9.4% | 9.8% | 9.6% | 9.0% | 9.3% | 8.8% | 9.5% | 9.1% | 8.7% | 9.3% | 9.1% | 9.0% | 7.4% | 6.6% | 7.9% |
| REIT | 5-Yr Gov | Sm Grw | 5-Yr Gov | Intern | LT Gov | LT Gov | LT Gov | LT Gov | Corp | 5-Yr Gov | 5-Yr Gov | 5-Yr Gov | 5-Yr Gov | 5-Yr Gov | 5-Yr Gov | Sm Grw | Sm Grw | 5-Yr Gov | 5-Yr Gov |
| 7.7% | 8.7% | 8.9% | 8.5% | 8.6% | 9.4% | 9.5% | 9.5% | 9.0% | 9.1% | 8.6% | 8.4% | 8.5% | 8.5% | 7.7% | 7.4% | 7.5% | 6.4% | 6.0% | 5.9% |
| T-Bills | REIT | 5-Yr Gov | Sm Grw | Sm Grw | 5-Yr Gov | 5-Yr Gov | 5-Yr Gov | 5-Yr Gov | 5-Yr Gov | Sm Grw | Sm Grw | Sm Grw | Sm Grw | Sm Grw | Sm Grw | 5-Yr Gov | 5-Yr Gov | Intern | Intern |
| 6.8% | 8.4% | 8.5% | 8.1% | 6.7% | 8.7% | 8.6% | 8.3% | 8.0% | 8.3% | 6.9% | 6.6% | 6.0% | 6.2% | 6.0% | 6.7% | 7.0% | 6.4% | 5.7% | 5.7% |
| Sm Grw | T-Bills | T-Bills | T-Bills | T-Bills | T-Bills | T-Bills | T-Bills | T-Bills | T-Bills | T-Bills | T-Bills | T-Bills | T-Bills | Commod | T-Bills | T-Bills | T-Bills | Commod | Commod |
| 6.6% | 6.7% | 6.7% | 6.7% | 6.6% | 6.4% | 6.1% | 6.0% | 6.0% | 6.0% | 5.8% | 5.5% | 5.1% | 4.6% | 4.6% | 4.0% | 3.7% | 3.4% | 3.5% | 3.2% |
| Commod | Commod | Commod | Commod | Commod | Commod | Commod | Commod | Commod | Commod | Commod | Commod | Commod | Commod | T-Bills | Commod | Commod | Commod | T-Bills | T-Bills |
| 3.4% | 4.2% | 5.3% | 4.4% | 4.4% | 3.8% | 4.3% | 5.4% | 5.0% | 5.8% | 3.8% | 3.8% | 4.1% | 4.4% | 4.3% | 3.9% | 3.6% | 2.9% | 3.2% | 3.1% |

What does that mean? To professionals, the striking consistency of this simple chart is strong evidence of something that is talked about but never actually proven: that over longer time spans, returns become more consistent and predictable than they are in shorter intervals, and that certain asset classes consistently, if unpredictably, provide more upside potential than others. A simple way to think of it is that as an owner of companies (buying stocks), you will eventually earn higher returns than if you are a lender to companies (buying bonds). You just must wait long enough for the trend to play itself out.

Does that mean we should throw away the idea of diversification? Of course not. But it might mean that, if you have a long enough time horizon, you have a decent chance of earning higher returns if your overweight certain categories of stocks, and underweight bonds. You should still hold both and rebalance each year, which raises the odds of experiencing a smooth investment ride while you wait for the asset returns to sort themselves out over time.

If you have any questions about this article or want to discuss your family finances, investment portfolio, or financial planning advice, please call on me anytime at my number [\(215\) 325-1595](tel:(215)325-1595) or you can [click here to schedule a meeting](#).

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About the advisor

Jeff Broadhurst is a wealth manager at Broadhurst Financial Advisors, Inc. He focuses on providing wealth management solutions to business owners and family stewards in the Philadelphia area. Together with his partners, he helps affluent clients address their five biggest concerns:

1. Preserving their wealth
2. Mitigating taxes
3. Taking care of their heirs
4. Ensuring their assets are not unjustly taken
5. Charitable giving.

Schedule a Complimentary Call



BROADHURST
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Best regards,

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