

STOCKS VS. BONDS: THE TEN MILLION DOLLAR DECISION



Mission of Merriman Financial Education Foundation:

Help Do It Yourself Investors Do It Better!



Western Washington University Students Merriman Financial Literacy Program



The information provided is not intended to provide any investment, tax or legal advice and should not be acted upon without obtaining specific advice from a qualified professional. Nothing in this material should be considered a solicitation for the purchase or sale of any security. Past performance is not a guarantee of future results.



The Boot Camp Series #1

Stocks vs. Bonds: The \$10 Million Decision



"There is no risk in the past.

We always know what we should have done."



Follow the Math

The Million Dollar Guarantee



Table 1
Impact of an additional 0.5% in annual return

<u>Inputs</u>	Scenario 1	Scenario 2
<i>Accumulation Phase Average Return</i>	8.00%	8.50%
<i>Distribution Phase Average Return</i>	6.00%	6.50%
Starting Contribution Amount	\$6,000	
Annual Contribution Increase	0.00%	
Start Investing Age	25	
Accumulation Phase Duration	40	
Start Retirement Age	65	
Retirement Duration	30	
End Retirement Age	95	
Retirement Phase Withdrawal Rate	4.00%	

<u>Results</u>	Scenario 1	Scenario 2
Total Contributions (age to 64, years)	\$240,000	\$240,000
Portfolio Value @ Age 65 (Start Retirement)	\$1,678,686	\$1,924,893
Portfolio Value @ Age 95 (End Retirement)	\$2,833,234	\$3,741,381
Total Withdrawals (Age 65 to 95)	\$2,623,973	\$3,243,727
Total Lifetime Benefit (Withdrawals + Ending Bal)	\$5,457,207	\$6,985,108

Increased Total Benefit of increasing returns 0.5%/year is: \$1,527,901

Table 2
Impact of an additional 1% in annual return

<u>Inputs</u>	Scenario 1	Scenario 3
<i>Accumulation Phase Average Return</i>	8.00%	9.00%
<i>Distribution Phase Average Return</i>	6.00%	7.00%
Starting Contribution Amount	\$6,000	
Annual Contribution Increase	0.00%	
Start Investing Age	25	
Accumulation Phase Duration	40	
Start Retirement Age	65	
Retirement Duration	30	
End Retirement Age	95	
Retirement Phase Withdrawal Rate	4.00%	

<u>Results</u>	Scenario 1	Scenario 3
Total Contributions (age to 64, years)	\$240,000	\$240,000
Portfolio Value @ Age 65 (Start Retirement)	\$1,678,686	\$2,209,751
Portfolio Value @ Age 95 (End Retirement)	\$2,833,234	\$4,943,035
Total Withdrawals (Age 65 to 95)	\$2,623,973	\$4,019,535
Total Lifetime Benefit (Withdrawals + Ending Bal)	\$5,457,207	\$8,962,570

Increased Total Benefit of increasing returns 1%/year is: \$3,505,363

Table 3
Impact of increasing your investment 3% a year

<u>Inputs</u>	Scenario 3	Scenario 4
Accumulation Phase Average Return	9.00%	
Distribution Phase Average Return	7.00%	
Starting Contribution Amount	\$6,000	
<i>Annual Contribution Increase</i>	<i>0.00%</i>	<i>3.00%</i>
Start Investing Age	25	
Accumulation Phase Duration	40	
Start Retirement Age	65	
Retirement Duration	30	
End Retirement Age	95	
Retirement Phase Withdrawal Rate	4.00%	

<u>Results</u>	Scenario 3	Scenario 4
Total Contributions (age to 64, years)	\$240,000	\$452,408
Portfolio Value @ Age 65 (Start Retirement)	\$2,209,751	\$3,068,065
Portfolio Value @ Age 95 (End Retirement)	\$4,943,035	\$6,863,013
Total Withdrawals (Age 65 to 95)	\$4,019,535	\$5,580,807
Total Lifetime Benefit (Withdrawals + Ending Bal)	\$8,962,570	\$12,443,820

Increased Total Benefit of increasing contributions 3%/year is: \$3,481,249

Table 4
Impact of waiting 5 years to start investing

<u>Inputs</u>	Scenario 4	Scenario 5
Accumulation Phase Average Return	9.00%	
Distribution Phase Average Return	7.00%	
Starting Contribution Amount	\$6,000	
Annual Contribution Increase	3.00%	
<i>Start Investing Age</i>	<i>25</i>	<i>30</i>
<i>Accumulation Phase Duration</i>	<i>40</i>	<i>35</i>
Start Retirement Age	65	
Retirement Duration	30	
End Retirement Age	95	
Retirement Phase Withdrawal Rate	4.00%	

<u>Results</u>	Scenario 4	Scenario 5
Total Contributions during Accumulation Phase	\$452,408	\$362,772
Portfolio Value @ Age 65 (Start Retirement)	\$3,068,065	\$1,918,411
Portfolio Value @ Age 95 (End Retirement)	\$6,863,013	\$4,291,332
Total Withdrawals (Age 65 to 95)	\$5,580,807	\$3,489,589
Total Lifetime Benefit (Withdrawals + Ending Bal)	\$12,443,820	\$7,780,920

Decreased Total Benefit of delaying 5 years is: (\$4,662,899)

The History of Investing

1928-2025



BONDS

- I.O.U.
- “Guaranteed”
- Serving short term needs



Table J2b - Fixed Income Returns: 1-yr Returns (1928 - 2025)

Summary Results for 98 1-year Periods (1928-2025)

	Short-Term Gov't Bond (one-month)	Intmed-Term Gov't Bond (5-year)	Long-Term Gov't Bond (20-30-years)
In 98 years \$100 grows to:	\$2,386	\$10,315	\$11,636
CRR over 98 years	3.3%	4.8%	5.0%
Best 1 year return	14.7%	29.1%	40.4%
Worst 1 year return	-0.02%	-9.4%	-26.1%
SD over 98 years	3.1%	5.8%	10.1%

Notes: 1) Source data from Dimensional Fund Advisors,
2) Results exclude fees and expenses.

Abbreviations: STGB - Short-Term Government Bonds (One-Month US Treasury Bills),
ITGB - Intermed-Term Government Bonds (Five-Year US Treasury Notes, LTGB - Long-Term Government Bonds, CRR - Compound Rate of Return, SD - Standard Deviation.

Table J2c - Fixed Income Returns: 15-yr Returns (1928 - 2025)

Summary Results for 84 15-year Periods (1928-2025)

	Short-Term Gov't Bond (one-month)	Intmed-Term Gov't Bond (5-year)	Long-Term Gov't Bond (20-30-years)
Avg 15 yr growth of \$100	\$169	\$214	\$225
Average 15 year CRR	3.5%	5.2%	5.6%
Best 15 year CRR	8.3%	11.3%	13.5%
Worst 15 year CRR	0.2%	1.4%	0.4%
Average 15 year SD	1.6%	4.8%	9.2%
Lowest 15 year SD	0.2%	0.9%	3.4%
Highest 15 year SD	3.2%	8.3%	15.5%

Notes: 1) Source data from Dimensional Fund Advisors,
2) Results exclude fees and expenses.

Abbreviations: STGB - Short-Term Government Bonds (One-Month US Treasury Bills),
ITGB - Intermed-Term Government Bonds (Five-Year US Treasury Notes, LTGB - Long-Term Government Bonds, CRR - Compound Rate of Return, SD - Standard Deviation.

Table J2d - Fixed Income Returns: 40-yr Returns (1928 - 2025)

Summary Results for 59 40-year Periods (1928-2025)

	Short-Term Gov't Bond (one-month)	Intmed-Term Gov't Bond (5-year)	Long-Term Gov't Bond (20-30-years)
Avg 40 yr growth of \$100	\$556	\$974	\$969
Average 40 year CRR	4.4%	5.9%	5.8%
Best 40 year CRR	6.1%	8.1%	9.4%
Worst 40 year CRR	1.6%	2.8%	2.3%
Average 40 year SD	2.8%	5.8%	9.9%
Lowest 40 year SD	1.4%	3.1%	5.2%
Highest 40 year SD	3.7%	7.0%	13.0%

Notes: 1) Source data from Dimensional Fund Advisors,
2) Results exclude fees and expenses.

Abbreviations: STGB - Short-Term Government Bonds (One-Month US Treasury Bills),
ITGB - Intermed-Term Government Bonds (Five-Year US Treasury Notes, LTGB - Long-Term Government Bonds, CRR - Compound Rate of Return, SD - Standard Deviation.

STOCKS

- Ownership of businesses
- High Risk
- Long Term Investing



Table J1b - Equity Index Returns: 1-yr Periods (1928-2025)

Summary Results for 98 1-year Periods (1928-2025)

	US LCB (S&P 500)	US LCV	US SCB	US SCV	US 4-Fund (SCV, LCV, SCB, LCB)	US All Value (SCV, LCV)	US 2-Fund (S&P 500, SCV)
In 98 yrs \$100 grows to:	\$1,398,153	\$2,995,154	\$5,934,277	\$17,581,909	\$5,590,514	\$8,435,109	\$6,425,538
CRR over 98 years	10.2%	11.1%	11.9%	13.1%	11.8%	12.3%	12.0%
Best 1 year return	54.0%	92.5%	111.2%	124.7%	96.2%	110.4%	89.9%
Worst 1 year return	-43.3%	-61.1%	-48.3%	-55.4%	-51.8%	-58.1%	-49.4%
SD over 98 years	19.6%	22.4%	27.8%	30.8%	24.1%	26.0%	23.9%

Notes: 1) Source data from Dimensional Fund Advisors, 2) Results exclude advisor fees and fund expenses.

Abbreviations: LCB - US Large Cap Blend, LCV - US Large Cap Value, SCB - US Small Cap Blend, SCV - US Small Cap Value, CRR - Compound Rate of Return, SD - Standard Deviation.

© 2026 The Merriman Financial Education Foundation

Table J1c - Equity Index Returns: 15-yr Periods (1928-2025)

Summary Results for 84 15-year Periods (1928-2025)

	US LCB (S&P 500)	US LCV	US SCB	US SCV	US 4-Fund (SCV, LCV, SCB, LCB)	US All Value (SCV, LCV)	US 2-Fund (S&P 500, SCV)
Avg 15 yr growth of \$100	\$466	\$595	\$657	\$865	\$646	\$731	\$655
Average 15 year CRR	10.8%	12.6%	13.4%	15.5%	13.2%	14.2%	13.3%
Best 15 year CRR	18.9%	21.7%	23.2%	26.5%	22.2%	24.2%	21.7%
Worst 15 year CRR	0.6%	-0.6%	1.6%	-1.9%	0.6%	-0.9%	0.5%
Average 15 year SD	18.0%	20.0%	25.7%	28.4%	22.0%	23.6%	21.8%
Lowest 15 year SD	12.4%	12.5%	16.1%	17.8%	14.8%	15.6%	14.5%
Highest 15 year SD	30.7%	38.6%	45.8%	52.0%	40.7%	44.8%	40.1%

Notes: 1) Source data from Dimensional Fund Advisors, 2) Results exclude advisor fees and fund expenses.

Abbreviations: LCB - US Large Cap Blend, LCV - US Large Cap Value, SCB - US Small Cap Blend, SCV - US Small Cap Value, CRR - Compound Rate of Return, SD - Standard Deviation.

Table J1d - Equity Index Returns: 40-yr Periods (1928-2025)

Summary Results for 59 40-year Periods (1928-2025)

	US LCB (S&P 500)	US LCV	US SCB	US SCV	US 4-Fund (SCV, LCV, SCB, LCB)	US All Value (SCV, LCV)	US 2-Fund (S&P 500, SCV)
Avg 40 yr growth of \$100	\$6,572	\$14,865	\$16,407	\$38,257	\$16,834	\$25,085	\$17,157
Average 40 year CRR	11.0%	13.3%	13.6%	16.0%	13.7%	14.8%	13.7%
Best 40 year CRR	12.5%	15.6%	16.7%	19.1%	15.9%	17.2%	15.8%
Worst 40 year CRR	8.9%	8.8%	10.6%	11.6%	10.8%	10.7%	10.8%
Average 40 year SD	17.6%	19.1%	25.6%	27.5%	21.3%	22.6%	21.1%
Lowest 40 year SD	15.6%	16.2%	19.2%	21.7%	17.4%	18.6%	17.0%
Highest 40 year SD	23.2%	28.3%	34.8%	39.4%	30.4%	33.3%	30.3%

Notes: 1) Source data from Dimensional Fund Advisors, 2) Results exclude advisor fees and fund expenses.

Abbreviations: LCB - US Large Cap Blend, LCV - US Large Cap Value, SCB - US Small Cap Blend, SCV - US Small Cap Value, CRR - Compound Rate of Return, SD - Standard Deviation.



Daryl Bahls'

Famous

Quilt Charts

Large Cap Blend

Large Cap Value

Small Cap Blend

Small Cap Value

4 Fund Combo

Table K1a - 4 US Asset Class Indexes & 4 Fund Combo Relative Return Ranking (1928-2025)

Quintile Rank	1928 1929 1930 1931 1932 1933 1934 1935 1936 1937										1938 1939 1940 1941 1942 1943 1944 1945 1946 1947									
	S&P 500 43.6%	LCV 2.8%	S&P 500 -24.9%	S&P 500 -43.3%	S&P 500 -8.2%	SCV 124.7%	SCB 15.6%	SCB 56.1%	SCV 66.6%	S&P 500 -35.0%	SCB 39.8%	S&P 500 -0.4%	SCB -3.6%	LCV 1.0%	SCV 34.1%	SCV 78.6%	SCV 52.6%	SCV 65.4%	LCV -6.3%	SCV 8.8%
2	SCB 42.8%	S&P 500 -8.4%	LCV -34.1%	SCB -46.3%	4 Fund -10.3%	SCB 111.2%	4 Fund -0.2%	4 Fund 48.5%	SCB 52.6%	LCV -36.6%	SCV 32.5%	SCB -0.8%	LCV -5.4%	SCV -0.2%	4 Fund 52.4%	SCB 56.9%	SCB 42.1%	SCB 64.0%	S&P 500 -8.1%	LCV 7.2%
3	4 Fund 35.8%	4 Fund -19.2%	4 Fund -34.7%	4 Fund -51.5%	SCV -10.5%	4 Fund 95.6%	S&P 500 -1.4%	SCV 47.7%	4 Fund 50.5%	4 Fund -42.6%	S&P 500 31.1%	4 Fund -2.5%	4 Fund -6.7%	4 Fund -5.5%	SCB 25.3%	4 Fund 48.1%	4 Fund 36.0%	4 Fund 51.9%	4 Fund -8.7%	S&P 500 5.7%
4	SCV 32.0%	SCB -34.0%	SCB -36.3%	SCB -55.4%	LCV -10.7%	LCV 92.5%	SCV -6.2%	SCV 47.7%	S&P 500 49.1%	SCB -48.3%	4 Fund 30.4%	SCV -3.8%	SCV -8.1%	SCB -11.0%	LCV 22.0%	LCV 31.0%	LCV 29.7%	LCV 41.9%	SCB -9.9%	4 Fund 5.3%
5	LCV 24.6%	SCV -37.0%	SCV -43.5%	LCV -61.1%	SCB -11.8%	S&P 500 54.0%	LCV -8.7%	LCV 42.4%	S&P 500 33.9%	SCV -50.5%	LCV 18.1%	LCV -4.9%	S&P 500 -9.8%	S&P 500 -11.6%	S&P 500 20.3%	S&P 500 25.9%	S&P 500 19.7%	S&P 500 36.4%	SCV -10.5%	SCB -0.7%
Quintile Rank	1948 1949 1950 1951 1952 1953 1954 1955 1956 1957										1958 1959 1960 1961 1962 1963 1964 1965 1966 1967									
	S&P 500 5.5%	SCB 20.8%	SCV 63.4%	S&P 500 24.0%	S&P 500 18.4%	S&P 500 -1.0%	SCV 64.3%	S&P 500 31.5%	SCB 8.2%	S&P 500 -10.8%	SCV 77.3%	SCB 19.3%	S&P 500 0.5%	SCB 29.8%	LCV -4.4%	SCV 29.5%	SCV 25.2%	SCV 40.0%	LCV -5.7%	SCB 79.1%
2	LCV 1.5%	SCV 19.7%	LCV 47.2%	LCV 19.2%	LCV 15.0%	SCB -3.0%	LCV 63.5%	4 Fund 25.0%	LCV 7.2%	LCV -14.1%	SCB 61.3%	SCV 15.2%	LCV -0.2%	SCV 29.3%	S&P 500 -8.7%	LCV 24.7%	4 Fund 19.6%	SCB 37.4%	SCB -7.3%	SCV 69.8%
3	4 Fund -0.8%	S&P 500 18.8%	4 Fund 45.4%	4 Fund 16.7%	4 Fund 13.0%	4 Fund -5.0%	4 Fund 59.8%	LCV 23.6%	S&P 500 4 Fund	4 Fund -14.6%	4 Fund 57.5%	4 Fund 14.2%	SCB -2.7%	4 Fund 27.9%	4 Fund -9.8%	4 Fund 23.5%	LCV 18.9%	4 Fund 26.8%	4 Fund -8.1%	4 Fund 49.4%
4	SCV -4.9%	4 Fund 18.7%	SCB 39.2%	SCB 13.8%	SCB 9.7%	LCV -5.3%	SCB 58.9%	SCV 23.5%	4 Fund 6.0%	SCB -14.8%	LCV 48.1%	S&P 500 12.0%	4 Fund -3.3%	S&P 500 26.9%	SCV -10.3%	S&P 500 22.8%	SCB 17.6%	LCV 17.4%	SCV -9.6%	LCV 24.8%
5	SCB -5.4%	LCV 15.5%	S&P 500 31.7%	SCV 9.9%	SCV 9.0%	SCV -10.6%	S&P 500 52.6%	SCB 21.3%	SCV 1.8%	SCV -18.6%	S&P 500 43.4%	LCV 10.2%	SCV -10.8%	LCV 25.6%	SCB -15.7%	SCB 17.0%	S&P 500 16.5%	S&P 500 12.5%	S&P 500 -10.0%	S&P 500 24.0%
Quintile Rank	1968 1969 1970 1971 1972 1973 1974 1975 1976 1977										1978 1979 1980 1981 1982 1983 1984 1985 1986 1987									
	SCV 49.1%	S&P 500 -8.5%	LCV 11.0%	SCB 20.3%	S&P 500 19.0%	LCV -8.8%	LCV -17.6%	SCV 65.6%	SCV 58.4%	SCB 22.8%	SCV 23.4%	SCB 38.8%	SCB 37.2%	SCV 20.5%	SCV 36.9%	LCV 48.9%	LCV 13.2%	SCB 32.8%	LCV 19.2%	LCV 5.5%
2	SCB 40.0%	LCV -18.1%	S&P 500 4.0%	SCV 15.4%	LCV 17.1%	S&P 500 -14.7%	SCV -17.9%	SCB 54.4%	SCB 48.0%	SCV 22.2%	SCB 22.2%	SCV 35.2%	S&P 500 32.4%	LCV 9.1%	SCB 30.6%	SCB 38.8%	S&P 500 6.3%	S&P 500 32.2%	S&P 500 18.5%	S&P 500 5.2%
3	4 Fund 30.7%	4 Fund -20.7%	4 Fund 0.3%	4 Fund 14.9%	4 Fund 12.0%	4 Fund -22.5%	4 Fund -22.2%	4 Fund 51.5%	LCV 43.9%	4 Fund 9.6%	4 Fund 15.0%	4 Fund 29.6%	4 Fund 28.7%	4 Fund 7.6%	4 Fund 27.2%	4 Fund 35.6%	4 Fund 4.5%	4 Fund 31.5%	4 Fund 13.6%	4 Fund -0.8%
4	LCV 22.5%	SCB -27.3%	SCV -0.3%	S&P 500 14.3%	SCV 7.6%	SCV -30.0%	S&P 500 -26.5%	LCV 48.9%	4 Fund 43.6%	LCV 0.6%	LCV 7.8%	LCV 26.1%	SCV 24.6%	SCB 5.7%	S&P 500 21.4%	LCV 32.1%	SCV 2.1%	LCV 30.7%	SCB 8.5%	SCV -5.3%
5	S&P 500 11.1%	SCV -28.8%	SCB -13.5%	LCV 9.4%	SCB 4.3%	SCB -36.7%	SCB -27.0%	S&P 500 37.2%	S&P 500 23.8%	S&P 500 -7.2%	S&P 500 6.6%	S&P 500 18.4%	LCV 20.7%	S&P 500 -4.9%	LCV 19.9%	S&P 500 22.5%	SCB -3.5%	SCV 30.2%	SCV 8.3%	SCB -8.7%
Quintile Rank	1988 1989 1990 1991 1992 1993 1994 1995 1996 1997										1998 1999 2000 2001 2002 2003 2004 2005 2006 2007									
	SCV 34.3%	S&P 500 31.5%	S&P 500 -3.1%	SCV 47.2%	SCV 34.9%	SCV 26.2%	LCV 2.5%	LCV 41.4%	LCV 27.0%	SCV 39.2%	S&P 500 28.6%	SCB 22.9%	SCV 19.7%	SCV 28.4%	SCV -6.8%	SCV 67.1%	SCV 23.3%	LCV 11.0%	SCV 21.2%	S&P 500 5.5%
2	LCV 28.5%	LCV 31.0%	LCV -14.8%	SCB 46.6%	SCB 24.1%	LCV 21.3%	SCV 2.5%	S&P 500 13.6%	SCV 25.1%	LCV 36.7%	LCV 8.4%	S&P 500 21.0%	LCV 13.2%	SCB 14.7%	SCB -13.0%	SCB 55.7%	SCB 22.3%	4 Fund 7.8%	LCV 20.7%	SCB -5.1%
3	4 Fund 26.4%	4 Fund 22.5%	4 Fund -15.4%	4 Fund 38.7%	4 Fund 20.8%	SCB 20.7%	4 Fund 1.5%	4 Fund 35.4%	4 Fund 24.3%	4 Fund 34.7%	4 Fund 7.4%	4 Fund 15.1%	4 Fund 7.1%	4 Fund 8.3%	LCV -13.7%	4 Fund 47.4%	LCV 19.4%	SCV 7.6%	SCB 19.4%	4 Fund -5.6%
4	SCB 26.0%	SCB 14.0%	SCB -20.2%	S&P 500 30.5%	LCV 16.5%	4 Fund 19.6%	S&P 500 1.3%	SCB 31.4%	S&P 500 23.0%	S&P 500 33.4%	SCB -2.3%	LCV 8.7%	SCB 4.7%	LCV 2.0%	4 Fund -13.9%	LCV 38.3%	4 Fund 19.0%	SCV 7.4%	4 Fund 19.3%	LCV -10.2%
5	S&P 500 16.8%	SCV 13.3%	SCV -23.6%	LCV 30.5%	S&P 500 7.6%	S&P 500 10.1%	SCB -0.2%	SCV 31.4%	SCB 22.2%	SCB 29.5%	SCV -5.1%	SCV 7.8%	S&P 500 -9.1%	S&P 500 -11.9%	S&P 500 -22.1%	S&P 500 28.7%	S&P 500 10.9%	S&P 500 4.9%	S&P 500 15.8%	SCV -12.5%
Quintile Rank	2008 2009 2010 2011 2012 2013 2014 2015 2016 2017										2018 2019 2020 2021 2022 2023 2024 2025 2026 2027									
	SCB -36.3%	SCV 49.6%	SCV 31.3%	S&P 500 2.1%	LCV 20.8%	SCB 44.8%	S&P 500 13.7%	S&P 500 1.4%	SCV 37.3%	S&P 500 21.8%	S&P 500 -4.4%	S&P 500 31.5%	S&P 500 18.4%	SCV 42.6%	SCV -4.9%	S&P 500 26.3%	S&P 500 25.0%	S&P 500 17.9%		
2	SCV -36.6%	SCB 39.1%	SCB 29.7%	LCV -2.6%	SCB 18.5%	SCV 42.6%	LCV 9.7%	LCV -3.8%	SCB 26.8%	LCV 16.9%	4 Fund -10.8%	LCV 28.1%	SCB 15.2%	4 Fund 31.3%	LCV -7.1%	4 Fund 18.9%	4 Fund 14.7%	LCV 16.4%		
3	S&P 500 -37.0%	4 Fund 36.0%	4 Fund 23.9%	4 Fund -2.6%	4 Fund 18.2%	4 Fund 39.7%	4 Fund 7.8%	4 Fund -3.9%	4 Fund 25.0%	4 Fund 14.9%	SCB -12.6%	4 Fund 25.5%	4 Fund 8.8%	S&P 500 28.7%	4 Fund -11.0%	SCB 18.5%	LCV 13.3%	4 Fund 12.2%		
4	4 Fund -38.2%	LCV 28.9%	LCV 19.5%	SCB -4.2%	SCV 17.3%	SCB 38.9%	SCB 4.3%	SCB -5.4%	LCV 24.0%	SCB 13.3%	SCV -12.6%	SCB 23.5%	SCV 3.8%	LCV 27.5%	SCB -13.8%	SCV 15.7%	SCB 11.9%	SCB 8.4%		
5	LCV -42.8%	S&P 500 26.5%	S&P 500 15.1%	SCV -5.8%	S&P 500 16.0%	S&P 500 32.4%	SCV 3.4%	SCV -7.9%	S&P 500 12.0%	SCV 7.6%	LCV -13.5%	SCV 19.1%	LCV -2.1%	SCB 26.4%	S&P 500 -18.1%	LCV 15.0%	SCV 8.7%	SCV 6.2%		

Table K1a - 4 US Asset Class Indexes & 4 Fund Combo Relative Return Ranking (1928-2025)

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
1	SCV 34.3%	S&P 500 31.5%	S&P 500 -3.1%	SCV 47.2%	SCV 34.9%	SCV 26.2%	LCV 2.5%	LCV 41.4%	LCV 27.0%	SCV 39.2%
2	LCV 28.5%	LCV 31.0%	LCV -14.8%	SCB 46.6%	SCB 24.1%	LCV 21.3%	SCV 2.5%	S&P 500 37.6%	SCV 25.1%	LCV 36.7%
3	4 Fund 26.4%	4 Fund 22.5%	4 Fund -15.4%	4 Fund 38.7%	4 Fund 20.8%	SCB 20.7%	4 Fund 1.5%	4 Fund 35.4%	4 Fund 24.3%	4 Fund 34.7%
4	SCB 26.0%	SCB 14.0%	SCB -20.2%	S&P 500 30.5%	LCV 16.5%	4 Fund 19.6%	S&P 500 1.3%	SCB 31.4%	S&P 500 23.0%	S&P 500 33.4%
5	S&P 500 16.8%	SCV 13.3%	SCV -23.6%	LCV 30.5%	S&P 500 7.6%	S&P 500 10.1%	SCB -0.2%	SCV 31.4%	SCB 22.2%	SCB 29.5%

Table K1a - 4 US Asset Class Indexes & 4 Fund Combo Relative Return Ranking (1928-2025)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
1	S&P 500 28.6%	SCB 22.9%	SCV 19.7%	SCV 28.4%	SCV -6.8%	SCV 67.1%	SCV 23.3%	LCV 11.0%	SCV 21.2%	S&P 500 5.5%
2	LCV 8.4%	S&P 500 21.0%	LCV 13.2%	SCB 14.7%	SCB -13.0%	SCB 55.7%	SCB 22.3%	4 Fund 7.8%	LCV 20.7%	SCB -5.1%
3	4 Fund 7.4%	4 Fund 15.1%	4 Fund 7.1%	4 Fund 8.3%	LCV -13.7%	4 Fund 47.4%	LCV 19.4%	SCV 7.6%	SCB 19.4%	4 Fund -5.6%
4	SCB -2.3%	LCV 8.7%	SCB 4.7%	LCV 2.0%	4 Fund -13.9%	LCV 38.3%	4 Fund 19.0%	SCB 7.4%	4 Fund 19.3%	LCV -10.2%
5	SCV -5.1%	SCV 7.8%	S&P 500 -9.1%	S&P 500 -11.9%	S&P 500 -22.1%	S&P 500 28.7%	S&P 500 10.9%	S&P 500 4.9%	S&P 500 15.8%	SCV -12.5%

Table K1a - 4 US Asset Class Indexes & 4 Fund Combo Relative Return Ranking (1928-2025)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1	SCB -36.3%	SCV 49.6%	SCV 31.3%	S&P 500 2.1%	LCV 20.8%	SCB 44.8%	S&P 500 13.7%	S&P 500 1.4%	SCV 37.3%	S&P 500 21.8%
2	SCV -36.6%	SCB 39.1%	SCB 29.7%	LCV -2.6%	SCB 18.5%	SCV 42.6%	LCV 9.7%	LCV -3.8%	SCB 26.8%	LCV 16.9%
3	S&P 500 -37.0%	4 Fund 36.0%	4 Fund 23.9%	4 Fund -2.6%	4 Fund 18.2%	4 Fund 39.7%	4 Fund 7.8%	4 Fund -3.9%	4 Fund 25.0%	4 Fund 14.9%
4	4 Fund -38.2%	LCV 28.9%	LCV 19.5%	SCB -4.2%	SCV 17.3%	LCV 38.9%	SCB 4.3%	SCB -5.4%	LCV 24.0%	SCB 13.3%
5	LCV -42.8%	S&P 500 26.5%	S&P 500 15.1%	SCV -5.8%	S&P 500 16.0%	S&P 500 32.4%	SCV 3.4%	SCV -7.9%	S&P 500 12.0%	SCV 7.6%

Table K1a - 4 US Asset Class Indexes & 4 Fund Combo Relative Return Ranking (1928-2025)

		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Quintile Rank	1	S&P 500 -4.4%	S&P 500 31.5%	S&P 500 18.4%	SCV 42.6%	SCV -4.9%	S&P 500 26.3%	S&P 500 25.0%	S&P 500 17.9%		
	2	4 Fund -10.8%	LCV 28.1%	SCB 15.2%	4 Fund 31.3%	LCV -7.1%	4 Fund 18.9%	4 Fund 14.7%	LCV 16.4%		
	3	SCB -12.6%	4 Fund 25.5%	4 Fund 8.8%	S&P 500 28.7%	4 Fund -11.0%	SCB 18.5%	LCV 13.3%	4 Fund 12.2%		
	4	SCV -12.6%	SCB 23.5%	SCV 3.8%	LCV 27.5%	SCB -13.8%	SCV 15.7%	SCB 11.9%	SCB 8.4%		
	5	LCV -13.5%	SCV 19.1%	LCV -2.1%	SCB 26.4%	S&P 500 -18.1%	LCV 15.0%	SCV 8.7%	SCV 6.2%		

Table K2a - Asset Classes & 4 Fund Combo (1928-2025)
- Return Rank Frequency -

Portfolio	Asset Alloc.	CAGR	Quintile Rank Frequency				
			1	2	3	4	5
US SCV	100% US SCV	13.1%	36	14	3	19	26
			37%	14%	3%	19%	27%
			<----- 37% ----->				
US SCB	100% US SCB	11.9%	17	30	6	29	16
			17%	31%	6%	30%	16%
			<----- 66% ----->				
US 4 Fund	25% US SCV 25% US SCB 25% US LCV 25% S&P 500	11.9%	0	11	76	11	0
			0%	11%	78%	11%	0%
			<----- 100% ----->				
US LCV	100% US LCV	11.1%	16	31	6	28	17
			16%	32%	6%	29%	17%
			<----- 66% ----->				
S&P 500	100% S&P 500	10.2%	29	12	7	11	39
			30%	12%	7%	11%	40%
			<----- 31% ----->				

S&P 500 Index: Max Intra-Year Drawdowns vs. End of Year Total Returns (1950-2024)

Year	DD	TR	Year	DD	TR	Year	DD	TR	Year	DD	TR
1950	-14.0%	31.7%	1969	-16.0%	-8.5%	1988	-7.6%	16.6%	2007	-10.1%	5.5%
1951	-8.1%	24.0%	1970	-25.9%	3.9%	1989	-7.6%	31.7%	2008	-48.8%	-37.0%
1952	-6.8%	18.4%	1971	-13.9%	14.3%	1990	-19.9%	-3.1%	2009	-27.6%	26.5%
1953	-14.8%	-1.0%	1972	-5.1%	19.0%	1991	-5.7%	30.5%	2010	-16.0%	15.1%
1954	-4.4%	52.6%	1973	-23.4%	-14.7%	1992	-6.2%	7.6%	2011	-19.4%	2.1%
1955	-10.6%	31.6%	1974	-37.6%	-26.5%	1993	-5.0%	10.1%	2012	-9.9%	16.0%
1956	-10.8%	6.6%	1975	-14.1%	37.2%	1994	-8.9%	1.3%	2013	-5.8%	32.4%
1957	-20.7%	-10.8%	1976	-8.4%	23.9%	1995	-2.5%	37.6%	2014	-7.4%	13.7%
1958	-4.4%	43.4%	1977	-15.6%	-7.2%	1996	-7.6%	23.0%	2015	-12.4%	1.4%
1959	-9.2%	12.0%	1978	-13.6%	6.6%	1997	-10.8%	33.4%	2016	-10.5%	12.0%
1960	-13.4%	0.5%	1979	-10.2%	18.6%	1998	-19.3%	28.6%	2017	-2.8%	21.8%
1961	-4.4%	26.9%	1980	-17.1%	32.5%	1999	-12.1%	21.0%	2018	-19.8%	-4.4%
1962	-26.9%	-8.7%	1981	-18.4%	-4.9%	2000	-17.2%	-9.1%	2019	-6.8%	31.5%
1963	-6.5%	22.8%	1982	-16.6%	21.5%	2001	-29.7%	-11.9%	2020	-33.9%	18.4%
1964	-3.5%	16.5%	1983	-6.9%	22.6%	2002	-33.8%	-22.1%	2021	-5.2%	28.7%
1965	-9.6%	12.5%	1984	-12.7%	6.3%	2003	-14.1%	28.7%	2022	-25.4%	-18.1%
1966	-22.2%	-10.1%	1985	-7.7%	31.7%	2004	-8.2%	10.9%	2023	-10.3%	26.3%
1967	-6.6%	24.0%	1986	-9.4%	18.7%	2005	-7.2%	4.9%	2024	-8.5%	25.0%
1968	-9.3%	11.1%	1987	-33.5%	5.3%	2006	-7.7%	15.8%	2025		

Do Stocks Outperform Treasury Bills?

- 96% of stocks earn T-Bill returns
- 4% of stocks earn 14%
- Market return 10%
- 58.6% make less than T-Bills



Lessons from Stocks vs. Bonds

- Stocks: high probability of one company making very little
- Key to long term success: Diversification
- Short term needs: Bonds



Bootcamp #2

What equities should we have in our
portfolio for a lifetime?

The Ultimate Buy and Hold Portfolio



Please send questions or comments to
Paul@paulmerriman.com. A telephone number is
helpful if Paul has to ask for additional information
before answering the question. Please remember that
Paul is a teacher, not an investment advisor or
financial planner.

