

# RETIRE MEET AMERICA

Three Keys to Long Term Investment Success

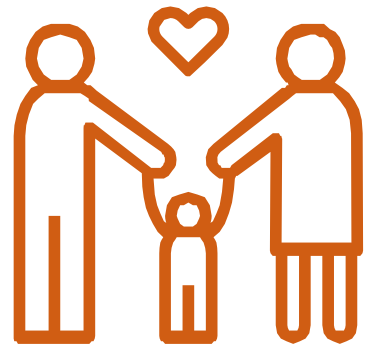
Presented by: Paul Merriman

The Merriman Foundation



## Our Mission

The Merriman Financial Education Foundation believes “knowledge is power” and is dedicated to providing comprehensive financial education to investors at all stages of life, with information and tools to make informed decisions in their own best interest and successfully implement their retirement savings program.



## The Do It Yourself Investor

- May want a little or a lot of information
- Working both sides of desk
- Has one very important client
- Must deal with psychological hurdles on your own



# Who can we trust?

- The Government
- Wall Street
- Salespeople
- The Press
- The other political party
- The math and history



Follow the Math

**Table 1**  
**Impact of an additional 0.5% in annual return**

<u>Inputs</u>	<b>Scenario 1</b>	<b>Scenario 2</b>
<i>Accumulation Phase Average Return</i>	<b>8.00%</b>	<b>8.50%</b>
<i>Distribution Phase Average Return</i>	<b>6.00%</b>	<b>6.50%</b>
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>	<b>Scenario 1</b>	<b>Scenario 2</b>
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
<b>Total Lifetime Benefit (Withdrawals + Ending Bal)</b>	<b>\$5,457,207</b>	<b>\$6,985,108</b>

**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>	<b>8.00%</b>	<b>9.00%</b>
<i>Distribution Phase Average Return</i>	<b>6.00%</b>	<b>7.00%</b>
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
<b>Total Lifetime Benefit (Withdrawals + Ending Bal)</b>	<b>\$5,457,207</b>	<b>\$8,962,570</b>

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

**Table 3**  
**Impact of increasing contributions 3% per 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	
<b><i>Annual Contribution Increase</i></b>	<b><i>0.00%</i></b>	<b><i>3.00%</i></b>
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
<b>Total Lifetime Benefit (Withdrawals + Ending Bal)</b>	<b>\$8,962,570</b>	<b>\$12,443,820</b>

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



**Table 4**  
**Impact of Delaying Start by 5 years**

<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>	<b>25</b>	<b>30</b>
<i>Accumulation Phase Duration</i>	<b>40</b>	<b>35</b>
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
<b>Total Lifetime Benefit (Withdrawals + Ending Bal)</b>	<b>\$12,443,820</b>	<b>\$7,780,920</b>

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

# Follow the History

# Stocks vs. Bonds

## Fixed Income Returns (1928 - 2021)

### Summary Results for 94 1-year Periods (1928-2021)

	STGB	ITGB	LTGB
In 94 years \$100 grows to:	\$2,040	\$10,228	\$16,549
CRR over 94 years	3.3%	5.0%	5.6%
Best 1 year return	14.7%	29.1%	40.4%
Worst 1 year return	-0.02%	-5.1%	-14.9%
SD over 94 years	3.1%	5.8%	10.1%

## Equity Returns (1928-2021)

### Summary Results for 94 1-year Periods (1928-2021)

	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 94 yrs \$100 grows to:	\$917,379	\$2,185,429	\$4,565,555	\$13,233,052	\$4,024,753	\$6,208,587	\$4,467,538
CRR over 94 years	10.2%	11.2%	12.1%	13.4%	11.9%	12.5%	12.1%
Best 1 year return	54.0%	92.5%	110.8%	124.7%	96.0%	110.3%	89.9%
Worst 1 year return	-43.3%	-61.1%	-48.3%	-55.4%	-51.8%	-58.2%	-49.5%
SD over 94 years	19.7%	22.8%	28.2%	31.3%	24.5%	26.5%	24.2%

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.

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# Selecting the Best Equity Asset Classes (1928- 2021)

## Equity Returns (1928-2021)

### Summary Results for 55 40-year Periods (1928-2021)

	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	\$6,499	\$15,596	\$16,875	\$39,930	\$17,300	\$26,258	\$17,441
Average 40 year CRR	11.0%	13.5%	13.7%	16.2%	13.7%	14.9%	13.8%
Best 40 year CRR	12.5%	15.6%	16.6%	19.0%	15.9%	17.2%	15.8%
Worst 40 year CRR	8.9%	8.8%	10.5%	11.6%	10.8%	10.7%	10.8%
Average 40 year SD	17.7%	19.3%	26.0%	27.9%	21.5%	22.9%	21.3%
Lowest 40 year SD	15.6%	16.3%	19.6%	21.5%	17.4%	18.7%	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.

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## Sound Investing US Equity Portfolios (1928-2021) - Quilt Chart

		1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947								
Ordinal Ranking	1	S&P 43.6%	S&P -8.4%	S&P -24.9%	S&P -43.3%	S&P -8.2%	USSV 124.7%	US4F -0.2%	US4F 48.4%	USSV 66.6%	S&P -35.0%	USSV 32.6%	S&P -0.4%	US4F -6.7%	USAV 0.4%	USSV 34.1%	USSV 78.6%	USSV 52.5%	USSV 65.4%	S&P -8.1%	USSV 8.8%	Portfolio	CAGR						
	2	US2F 37.8%	USAV -17.1%	US2F -34.2%	US2F -49.4%	US2F -9.4%	USAV 108.6%	S&P -1.4%	USSV 47.7%	USAV 57.8%	USAV -42.6%	US2F 31.9%	US2F -2.1%	USAV -6.7%	USSV -0.2%	USAV 28.0%	USAV 54.8%	USAV 41.1%	USAV 53.6%	USAV -8.4%	USAV 8.0%			Rank #1	Rank #3				
	3	US4F 35.8%	US4F -19.2%	US4F -34.7%	US4F -51.5%	US4F -10.3%	US4F 95.6%	US2F -3.8%	US2F 47.7%	US4F 50.5%	US2F -42.8%	S&P 31.1%	US4F -2.5%	USSV -8.1%	US4F -5.5%	US2F 27.2%	US2F 52.3%	US2F 36.1%	US4F 51.9%	US4F -8.7%	US2F 7.3%					Rank #5	Rank #5		
	4	USSV 32.0%	US2F -22.7%	USAV -38.8%	USSV -55.4%	USSV -10.5%	US2F 89.4%	USSV -6.2%	S&P 47.7%	US2F 50.3%	USAV -43.6%	US4F 30.4%	USSV -3.7%	US2F -8.9%	US2F -5.9%	US4F 25.4%	US4F 48.1%	US4F 36.0%	US2F 50.9%	US2F -9.3%	S&P 5.7%							Rank #5	Rank #5
	5	USAV 28.3%	USSV -37.0%	USSV -43.5%	USAV -58.2%	USAV -10.6%	S&P 54.0%	USAV -7.4%	USAV 45.0%	S&P 33.9%	USSV -50.5%	USAV 25.3%	USAV -4.3%	S&P -9.8%	S&P -11.6%	S&P 20.3%	S&P 25.9%	S&P 19.7%	S&P 36.4%	USSV -10.5%	US4F 5.3%								
Ordinal Ranking	1	S&P 5.5%	USSV 19.7%	USSV 63.4%	S&P 24.0%	S&P 18.4%	S&P -1.0%	USSV 64.3%	S&P 31.5%	S&P 6.6%	S&P -10.8%	USSV 76.9%	USSV 15.1%	S&P 0.5%	USSV 29.3%	USAV -7.4%	USSV 29.5%	USSV 25.4%	USSV 40.0%	USAV -7.7%	USSV 69.3%	Portfolio	CAGR						
	2	US2F 0.3%	US2F 19.2%	USAV 55.3%	US2F 17.0%	US2F 13.7%	US4F -5.0%	USAV 63.9%	US2F 27.5%	US4F 5.9%	US4F -14.6%	USAV 62.5%	US4F 14.2%	US4F -3.3%	US2F 28.1%	S&P -8.7%	USAV 27.1%	USAV 22.2%	USAV 28.7%	US4F -8.2%	US4F 49.3%			Rank #1	Rank #3				
	3	US4F -0.8%	S&P 18.8%	US2F 47.6%	US4F 16.7%	US4F 13.0%	US2F -5.8%	US4F 59.8%	US4F 25.0%	USAV 4.5%	US2F -14.7%	US2F 60.1%	US2F 13.6%	US2F -5.2%	US4F 27.9%	US2F -9.5%	US2F 26.1%	US2F 20.9%	US4F 26.8%	USSV -9.7%	USAV 47.1%					Rank #1	Rank #3		
	4	USAV -1.7%	US4F 18.7%	US4F 45.4%	USAV 14.6%	USAV 12.0%	USAV -8.0%	US2F 58.5%	USSV 23.5%	US2F 4.2%	USAV -16.5%	US4F 57.4%	USAV 12.7%	USAV -5.5%	USAV 27.4%	US4F -9.8%	US4F 23.5%	US4F 19.6%	US2F 26.2%	US2F -9.9%	US2F 46.6%							Rank #1	Rank #3
	5	USSV -4.9%	USAV 17.6%	S&P 31.7%	USSV 9.9%	USSV 9.0%	USSV -10.6%	S&P 52.6%	USAV 23.5%	USSV 1.7%	USSV -18.6%	S&P 43.4%	S&P 12.0%	USSV -10.8%	S&P 26.9%	USSV -10.3%	S&P 22.8%	S&P 16.5%	S&P 12.5%	S&P -10.0%	S&P 24.0%								
Ordinal Ranking	1	USSV 49.0%	S&P -8.5%	USAV 5.2%	USSV 15.1%	S&P 19.0%	S&P -14.7%	USAV -17.8%	USSV 65.8%	USSV 58.6%	USSV 22.1%	USSV 23.4%	USSV 35.2%	S&P 32.4%	USSV 20.4%	USSV 37.0%	USSV 49.4%	USAV 32.2%	S&P 18.5%	S&P 5.2%	Portfolio	CAGR							
	2	USAV 35.8%	US2F -18.6%	S&P 4.0%	US4F 14.8%	US2F 13.3%	USAV -19.6%	USSV -17.9%	USAV 57.4%	USAV 51.5%	USAV 11.3%	USAV 15.6%	USAV 30.3%	US4F 28.7%	USAV 14.7%	US2F 29.2%	USAV 40.9%	S&P 6.3%	US4F 31.5%	USAV 13.8%			US2F -0.2%	Rank #1	Rank #3				
	3	US4F 30.6%	US4F -20.6%	US2F 1.8%	US2F 14.7%	USAV 12.4%	US2F -22.6%	US2F -22.2%	US4F 51.6%	US4F 43.7%	US4F 9.5%	US4F 15.0%	US4F 29.5%	US2F 28.5%	US2F 7.8%	USAV 28.5%	US2F 35.9%	US4F 4.5%	US2F 31.0%	US4F 13.6%			USAV -0.3%			Rank #1	Rank #3		
	4	US2F 30.0%	USAV -23.4%	US4F 0.2%	S&P 14.3%	US4F 12.0%	US4F -22.6%	US4F -22.3%	US2F 51.5%	US2F 41.2%	US2F 7.4%	US2F 15.0%	US2F 26.8%	USSV 24.6%	US4F 7.5%	US4F 27.3%	US4F 35.8%	US4F 4.3%	USAV 30.4%	US2F 13.4%			US4F -1.0%					Rank #1	Rank #3
	5	S&P 11.1%	USSV -28.8%	USSV -0.5%	USAV 12.2%	USSV 7.6%	USSV -30.5%	S&P -26.5%	S&P 37.2%	S&P 23.8%	S&P -7.2%	S&P 6.6%	S&P 18.4%	USAV 22.5%	S&P -4.9%	S&P 21.4%	S&P 22.5%	USSV 2.4%	USSV 29.8%	USSV 8.4%			USSV -5.6%						
Ordinal Ranking	1	USSV 34.0%	S&P 31.5%	S&P -3.1%	USSV 46.9%	USSV 34.9%	USSV 25.8%	USAV 2.5%	S&P 37.6%	USAV 26.1%	USSV 39.2%	S&P 28.6%	S&P 21.0%	USSV 19.6%	USSV 28.2%	USSV -6.9%	USSV 67.1%	USAV 23.4%	USAV 9.1%	USSV 21.2%	S&P 5.5%	Portfolio	CAGR						
	2	USAV 31.2%	US4F 22.4%	US2F -13.4%	USAV 39.8%	USAV 26.2%	USAV 23.6%	USSV 2.5%	USAV 36.7%	USSV 25.3%	USAV 38.1%	US2F 11.8%	US4F 15.2%	USAV 16.5%	USAV 15.5%	USAV -10.2%	USAV 53.2%	USAV 21.5%	US4F 7.6%	USAV 21.1%	US2F -3.5%			Rank #1	Rank #3				
	3	US4F 26.3%	US2F 22.4%	US4F -15.7%	US4F 39.1%	US2F 21.3%	US4F 19.5%	US2F 1.9%	US4F 35.6%	US4F 24.4%	US2F 36.3%	US4F 7.6%	US2F 14.6%	US4F 7.2%	US4F 8.4%	US4F -13.9%	US4F 47.9%	US4F 19.0%	USSV 7.6%	US4F 19.3%	US4F -5.7%					Rank #1	Rank #3		
	4	US2F 25.4%	USAV 22.0%	USAV -19.7%	US2F 38.7%	US4F 21.0%	US2F 17.9%	US4F 1.5%	US2F 34.4%	US2F 24.1%	US4F 34.7%	USAV 2.0%	USAV 8.5%	US2F 5.2%	US2F 8.2%	US2F -14.5%	US4F 47.7%	US2F 17.1%	US2F 6.2%	US2F 18.5%	USAV -11.7%							Rank #1	Rank #3
	5	S&P 16.8%	USSV 13.2%	USSV -23.7%	S&P 30.5%	S&P 7.6%	S&P 10.1%	S&P 1.3%	USSV 31.3%	S&P 23.0%	S&P 33.4%	USSV -5.0%	USSV 8.1%	S&P -9.1%	S&P -11.9%	S&P -22.1%	S&P 28.7%	S&P 10.9%	S&P 4.9%	S&P 15.8%	USSV -12.6%								
Ordinal Ranking	1	USSV -36.6%	USSV 49.3%	USSV 31.4%	S&P 2.1%	USAV 19.0%	USSV 42.6%	S&P 13.7%	S&P 1.4%	USSV 37.3%	S&P 21.8%	S&P -4.4%	S&P 31.5%	S&P 18.4%	USSV 42.8%	Portfolio	CAGR												
	2	US2F -36.8%	USAV 39.4%	USAV 25.6%	US2F -1.8%	US4F 18.2%	USAV 40.8%	US2F 8.7%	US2F -3.3%	USAV 30.7%	US4F 14.7%	US2F -8.6%	US4F 25.6%	US2F 11.1%	US2F 35.8%			Rank #1	Rank #3										
	3	S&P -37.0%	US2F 37.9%	US4F 24.0%	US4F -2.7%	USSV 17.4%	US4F 39.7%	US4F 7.7%	US4F -4.0%	US4F 25.1%	US2F 14.7%	US4F -11.0%	US2F 25.2%	US4F 8.8%	USAV 35.6%					Rank #1	Rank #3								
	4	US4F -38.2%	US4F 36.0%	US2F 23.2%	USAV -4.3%	US2F 16.7%	US2F 37.5%	USAV 6.4%	USAV -6.1%	US2F 24.6%	USAV 11.8%	USSV -12.9%	USAV 23.7%	USSV 3.8%	US4F 31.5%							Rank #1	Rank #3						
	5	USAV -39.7%	S&P 26.5%	S&P 15.1%	USSV -5.7%	S&P 16.0%	S&P 32.4%	USSV 3.6%	USSV -7.9%	S&P 12.0%	USSV 7.5%	USAV -13.4%	USSV 18.9%	USAV 0.8%	S&P 28.7%									Rank #1	Rank #3				

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Table B14A - Fine Tuning Table - US SCV vs S&P 500 Equity Portfolio

Index returns reduced by a representative expense ratio. Monthly rebalancing.

Year	100%											S&P Out-Perf	SCV Out-Perf
	S&P 500	10/90	20/80	30/70	40/60	50/50	60/40	70/30	80/20	90/10	US SCV		
1970	4.0%	3.5%	3.0%	2.5%	2.0%	1.5%	0.9%	0.3%	-0.2%	-0.8%	-1.5%	5.4%	
1971	14.3%	14.4%	14.6%	14.7%	14.8%	14.8%	14.9%	14.9%	14.9%	14.9%	14.9%	11.4%	0.6%
1972	18.9%	17.8%	16.7%	15.6%	14.5%	13.4%	12.2%	11.1%	9.9%	8.7%	7.6%	15.7%	
1973	-14.7%	-16.3%	-17.9%	-19.5%	-21.1%	-22.7%	-24.3%	-25.8%	-27.4%	-28.9%	-30.4%		
1974	-26.5%	-25.5%	-24.6%	-23.6%	-22.8%	-21.9%	-21.1%	-20.3%	-19.5%	-18.7%	-18.0%		8.5%
1975	37.2%	40.0%	42.8%	45.7%	48.5%	51.3%	54.1%	56.9%	59.7%	62.5%	65.2%		28.1%
1976	23.8%	27.0%	30.3%	33.6%	37.0%	40.4%	43.9%	47.4%	51.0%	54.6%	58.2%		34.4%
1977	-7.2%	-4.6%	-1.9%	0.9%	3.7%	6.6%	9.6%	12.6%	15.8%	18.9%	22.2%		29.4%
1978	6.5%	8.2%	9.8%	11.5%	13.1%	14.8%	16.4%	18.0%	19.6%	21.2%	22.8%		16.3%
1979	18.4%	20.0%	21.6%	23.3%	24.9%	26.6%	28.2%	29.9%	31.6%	33.3%	35.0%		16.7%
1980	32.4%	31.6%	30.8%	30.0%	29.2%	28.3%	27.5%	26.6%	25.7%	24.9%	24.0%	8.4%	
1981	-4.9%	-2.6%	-0.3%	2.1%	4.6%	7.1%	9.6%	12.2%	14.8%	17.5%	20.2%		25.1%
1982	21.4%	22.9%	24.4%	25.9%	27.5%	29.0%	30.6%	32.1%	33.7%	35.3%	36.8%		15.5%
1983	22.5%	25.0%	27.5%	30.1%	32.7%	35.4%	38.0%	40.8%	43.5%	46.3%	49.1%		26.6%
1984	6.2%	5.8%	5.4%	4.9%	4.5%	4.1%	3.7%	3.2%	2.8%	2.4%	1.9%	4.3%	
1985	32.1%	31.9%	31.6%	31.3%	31.0%	30.7%	30.4%	30.1%	29.8%	29.5%	29.2%	3.0%	
1986	18.4%	17.4%	16.4%	15.4%	14.4%	13.4%	12.4%	11.4%	10.4%	9.4%	8.4%	10.0%	
1987	5.2%	4.1%	3.0%	1.9%	0.8%	-0.4%	-1.5%	-2.6%	-3.7%	-4.8%	-6.0%	11.2%	
1988	16.8%	18.4%	20.1%	21.8%	23.5%	25.2%	26.9%	28.6%	30.3%	32.0%	33.8%		17.0%
1989	31.5%	29.6%	27.7%	25.8%	24.0%	22.2%	20.3%	18.5%	16.8%	15.0%	13.2%	18.2%	
1990	-3.1%	-5.4%	-7.6%	-9.8%	-12.0%	-14.1%	-16.1%	-18.2%	-20.2%	-22.1%	-24.0%	20.9%	
1991	30.4%	32.0%	33.6%	35.3%	36.9%	38.5%	40.1%	41.8%	43.4%	45.1%	46.7%		16.3%
1992	7.6%	10.1%	12.7%	15.3%	17.9%	20.6%	23.3%	26.1%	28.9%	31.7%	34.5%		26.9%
1993	10.0%	11.6%	13.3%	14.9%	16.5%	18.2%	19.9%	21.6%	23.3%	25.0%	26.8%		16.7%
1994	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.2%	0.1%	
1995	37.5%	36.7%	35.9%	35.1%	34.3%	33.4%	32.6%	31.8%	30.9%	30.1%	29.3%	8.3%	
1996	22.9%	22.9%	22.9%	22.8%	22.8%	22.7%	22.7%	22.6%	22.5%	22.4%	22.3%	0.6%	
1997	33.3%	33.2%	33.0%	32.8%	32.6%	32.3%	32.1%	31.8%	31.5%	31.1%	30.7%	2.6%	
1998	28.5%	24.5%	20.5%	16.7%	13.0%	9.4%	5.8%	2.4%	-0.9%	-4.2%	-7.3%	35.8%	
1999	21.0%	20.3%	19.6%	18.9%	18.1%	17.4%	16.5%	15.7%	14.8%	14.0%	13.0%	8.0%	
2000	-9.1%	-7.3%	-5.5%	-3.7%	-1.9%	-0.1%	1.7%	3.6%	5.4%	7.2%	9.0%		18.1%
2001	-11.9%	-8.8%	-5.7%	-2.4%	0.9%	4.3%	7.8%	11.4%	15.1%	18.8%	22.7%		34.6%
2002	-22.1%	-20.8%	-19.5%	-18.2%	-16.9%	-15.6%	-14.3%	-13.0%	-11.8%	-10.5%	-9.3%		12.9%
2003	28.7%	31.5%	34.4%	37.4%	40.4%	43.4%	46.5%	49.7%	52.9%	56.1%	59.4%		30.8%
2004	10.8%	12.3%	13.7%	15.1%	16.6%	18.0%	19.5%	21.0%	22.4%	23.9%	25.4%		14.5%
2005	4.9%	5.2%	5.5%	5.8%	6.1%	6.4%	6.7%	7.0%	7.3%	7.5%	7.8%		2.9%
2006	15.8%	16.4%	17.0%	17.6%	18.2%	18.7%	19.3%	19.9%	20.5%	21.0%	21.5%		5.8%
2007	5.5%	3.8%	2.1%	0.4%	-1.3%	-2.9%	-4.5%	-6.1%	-7.7%	-9.2%	-10.7%	16.2%	
2008	-37.0%	-37.0%	-36.9%	-36.8%	-36.8%	-36.8%	-36.8%	-36.8%	-36.8%	-36.8%	-36.8%		0.2%
2009	26.4%	27.3%	28.1%	28.9%	29.6%	30.4%	31.1%	31.8%	32.4%	33.0%	33.6%		7.2%
2010	15.0%	16.6%	18.2%	19.8%	21.3%	22.9%	24.5%	26.1%	27.7%	29.3%	30.9%		15.9%
2011	2.1%	1.1%	0.2%	-0.8%	-1.8%	-2.7%	-3.7%	-4.6%	-5.6%	-6.6%	-7.5%	9.6%	
2012	16.0%	16.5%	17.1%	17.7%	18.3%	18.9%	19.4%	20.0%	20.6%	21.2%	21.7%		5.8%
2013	32.3%	33.3%	34.3%	35.3%	36.3%	37.3%	38.3%	39.3%	40.4%	41.4%	42.4%		10.0%
2014	13.7%	12.6%	11.6%	10.6%	9.6%	8.6%	7.6%	6.5%	5.5%	4.5%	3.5%	10.2%	
2015	1.4%	0.4%	-0.5%	-1.4%	-2.3%	-3.2%	-4.1%	-5.0%	-6.0%	-6.9%	-7.8%	9.2%	
2016	11.9%	13.5%	15.1%	16.8%	18.4%	20.0%	21.6%	23.3%	24.9%	26.6%	28.3%		16.3%
2017	21.8%	20.3%	18.8%	17.3%	15.9%	14.4%	13.0%	11.5%	10.1%	8.6%	7.2%	14.6%	
2018	-4.4%	-5.5%	-6.6%	-7.7%	-8.8%	-9.8%	-10.9%	-12.0%	-13.0%	-14.1%	-15.1%	10.7%	
2019	31.4%	30.1%	28.8%	27.5%	26.2%	24.8%	23.5%	22.2%	20.8%	19.5%	18.1%	13.3%	
2020	18.4%	16.9%	15.4%	13.9%	12.3%	10.7%	9.1%	7.4%	5.7%	4.0%	2.2%	16.2%	
2021	28.7%	29.9%	31.1%	32.3%	33.4%	34.5%	35.6%	36.7%	37.8%	38.8%	39.8%		11.1%
Annulized Return	11.0%	11.4%	11.8%	12.1%	12.4%	12.7%	13.0%	13.3%	13.5%	13.8%	14.0%	S&P vs US SCV	
Standad Dev	16.9%	16.8%	17.0%	17.2%	17.6%	18.2%	18.9%	19.7%	20.6%	21.6%	22.7%	Summary	
Worst 3 Months	-29.7%	-30.4%	-31.1%	-31.9%	-32.6%	-33.3%	-34.0%	-34.8%	-35.5%	-37.2%	-39.0%	Years Out-Perform	
Worst 6 Months	-41.8%	-42.7%	-43.6%	-44.4%	-45.3%	-46.1%	-47.0%	-47.8%	-48.7%	-49.5%	-50.3%	S&P	US SCV
Worst 12 Months	-43.3%	-43.9%	-44.5%	-45.1%	-45.7%	-46.3%	-46.9%	-47.5%	-48.1%	-48.7%	-49.3%	24	28
Worst 36 Mos (Ann)	-16.1%	-15.8%	-16.5%	-17.2%	-17.9%	-18.6%	-19.3%	-20.0%	-20.7%	-21.4%	-22.1%	Avg. Out-Perf Rtn.	
Worst 60 Mos (Ann)	-6.7%	-6.8%	-6.9%	-7.0%	-7.2%	-7.3%	-7.5%	-7.6%	-7.8%	-8.0%	-8.2%	S&P	US SCV
Worst Drawdown	-51.0%	-51.6%	-52.4%	-53.5%	-54.7%	-55.8%	-56.9%	-58.0%	-59.1%	-60.1%	-61.2%	11.0%	16.6%



Year	100%										
	S&P 500	10/90	20/80	30/70	40/60	50/50	60/40	70/30	80/20	90/10	US SCV
Annulized Return	11.0%	11.4%	11.8%	12.1%	12.4%	12.7%	13.0%	13.3%	13.5%	13.8%	14.0%
Standad Dev	16.9%	16.8%	17.0%	17.2%	17.6%	18.2%	18.9%	19.7%	20.6%	21.6%	22.7%
Worst 3 Months	-29.7%	-30.4%	-31.1%	-31.9%	-32.6%	-33.3%	-34.0%	-34.8%	-35.5%	-37.2%	-39.0%
Worst 6 Months	-41.8%	-42.7%	-43.6%	-44.4%	-45.3%	-46.1%	-47.0%	-47.8%	-48.7%	-49.5%	-50.3%
Worst 12 Months	-43.3%	-43.9%	-44.5%	-45.1%	-45.7%	-46.3%	-46.9%	-47.5%	-48.1%	-48.7%	-49.3%
Worst 36 Mos (Ann)	-16.1%	-15.8%	-16.5%	-17.2%	-17.9%	-18.6%	-19.3%	-20.0%	-20.7%	-21.4%	-22.1%
Worst 60 Mos (Ann)	-6.7%	-6.8%	-6.9%	-7.0%	-7.2%	-7.3%	-7.5%	-7.6%	-7.8%	-8.0%	-8.2%
Worst Drawdown	-51.0%	-51.6%	-52.4%	-53.5%	-54.7%	-55.8%	-56.9%	-58.0%	-59.1%	-60.1%	-61.2%

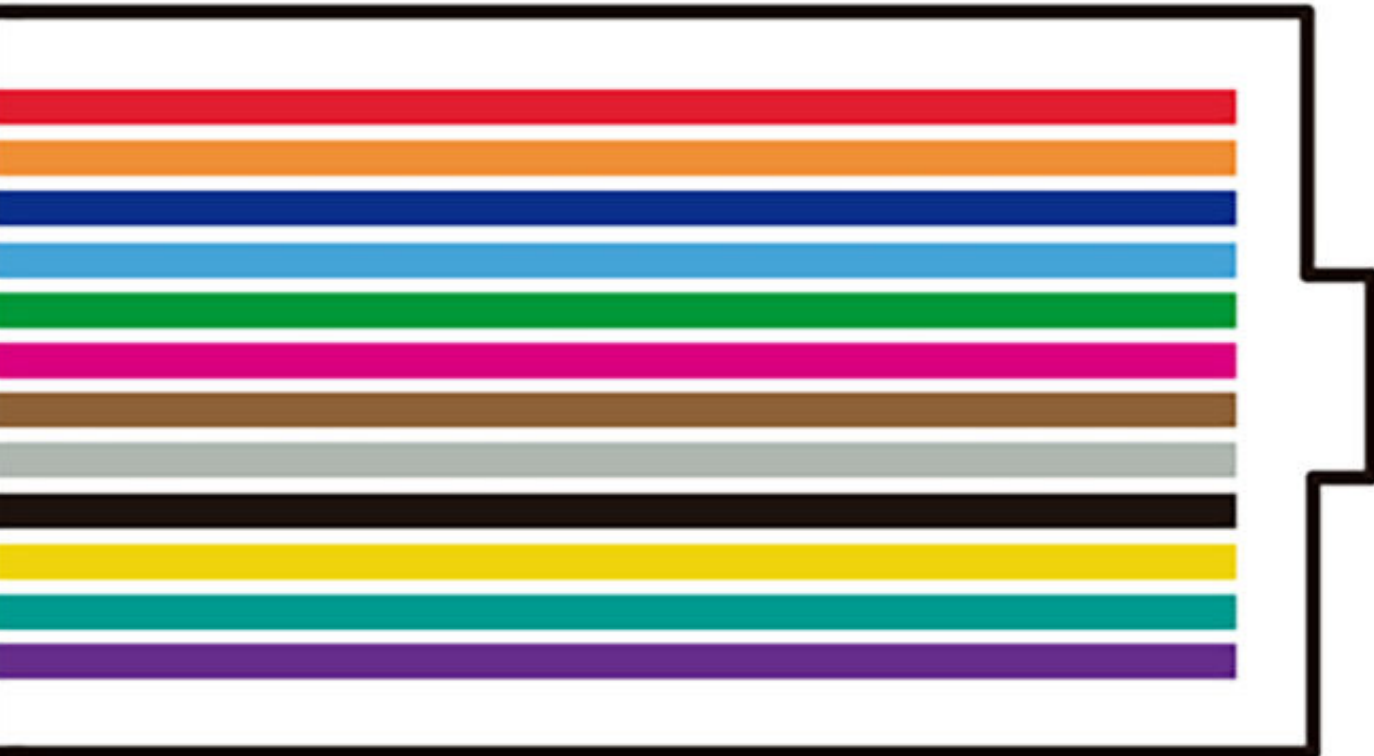
S&P Out-Perf	SCV Out-Perf
<b>S&amp;P vs US SCV Summary</b>	
Years Out-Perform	
S&P	US SCV
<b>24</b>	<b>28</b>
Avg. Out-Perf Rtn.	
S&P	US SCV
<b>11.0%</b>	<b>16.6%</b>

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# 2 FUNDS FOR LIFE

a quest for simple & effective  
investing strategies

Chris Pedersen with Foreword by Paul Merriman

Illustrations by Maren Pedersen

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If you have any questions,  
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